

U.S. TRADE PERFORMANCE IN 1983 AND OUTLOOK



U.S. DEPARTMENT OF COMMERCE
International Trade Administration

June 1984

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ERRATA

"U.S. Trade Performance in 1983 and Outlook"

- Figure 2.5, page 10: Change stub heading from "Billion Barrels" to "Billion Dollars".
- Figure 4.2. page 19: In figure key, reverse colors.
- Figure 4.6, page 22: (same).
- Figure 4.7, page 23: (same).
- Figure 4.8, page 24: (same).
- Figure 4.9, page 25: (same).
- Table 23, page 65: In subtitle change "1/3" to "=".
- Table 27, page 69: (same).
- Table 30, page 72: (same).
- Table 33, page 75: (same).
- Table 34, page 76: (same).
- Table 36, page 78: (same).
- Table 37, page 79: (same).
- Table 38, page 80: (same).
- Table 39, page 81: In subtitle change "()" to "(+)".
- Table 45, page 86: In subtitle change "1/3" to "=".
- Table 46, page 87: (same).
- Table 47, page 87: (same).

U.S. TRADE PERFORMANCE IN 1983 AND OUTLOOK

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CONTENTS

Foreword	v
Highlights of the Report	1
I. U.S. Trade in Perspective	3
World Trade	3
U.S. Merchandise Trade	3
U.S. Commodity Trade Trends.....	4
U.S. Trading Partners.....	4
Immediate Deficit Causes	6
Long-term Deficit Causes	6
U.S. Trade in Services	6
II. Record 1983 Merchandise Trade Deficit.....	9
III. Major Commodity Developments	13
Trade in Manufactures.....	13
Export Trends.....	13
Import Trends	14
Non-High Technology Goods.....	14
High Tech Trade	14
Trends in U.S. Share Performance.....	15
Agricultural Trade	17
Energy Products	17
IV. Regional Trade Developments.....	19
U.S.-Japan Trade	19
Western Europe	20
Latin America	21
East Asian NICs	23
Canada.....	24
OPEC.....	25
V. Causes of Deficits.....	27
U.S. Dollar Appreciation.....	27
Cyclical Factors	27
Foreign Economic Stagnation	28
U.S. Economic Recovery	28
LDC Debt Crises	29
U.S. Competitiveness Factors.....	29
Improved U.S. Domestic Factors	29
Effective Wage Gap	29
Lagging U.S. Investment.....	31
Foreign Trade Distorting Practices	31
VI. Effects of U.S. Trade Deficit.....	33
Drag on Economic Recovery	33
Loss of U.S. Jobs	33
Impact on States	33
Imports and the Domestic Economy.....	34
VII. U.S. International Financial Flows.....	35
Capital Inflows and Dollar Depreciation	35
Current Account Deterioration	35
Offsetting Capital Inflows	35

CONTENTS—CONTINUED

VIII. Trade Outlook:.....	37
Trade Deficit in 1984	37
Beyond 1984	37
References	38
Statistical Appendix.....	39

FOREWORD

U.S. trade performance has a direct influence on our international economic position as well as important implications for the domestic economy. The United States incurred in 1983 the largest trade deficit on record and is experiencing what promises to be an even larger deficit in 1984. This report is the first of an annual series by the International Trade Administration describing developments in U.S. merchandise trade. Future editions are expected to include more detailed description and analyses of selected aspects of U.S. trade performance.

The recent decline in U.S. trade performance has resulted in intense public focus on the short-term structural and other economic forces affecting U.S. trade and the policies and the institutions designed to deal with them. This attention reflects an increasing public awareness of the interdependence of our economy with other industrial nations and the developing countries and a concern about the recent trade trends.

The United States remains the world's largest exporter and importer of both goods and services. We have a great deal at stake in the effective functioning of the international trading system. We need a number of imports for use as inputs to our industries, and our consumers benefit from a wide range of imported finished goods. Our export sales are essential to pay for the goods and services we import and workers benefit from exports through the revenues and jobs they create.

The success of the world trading system depends on a free access of U.S. exports to foreign markets and a similar access of foreign exports to the U.S. market.

It is my hope that constructive study and discussion can benefit greatly from this report on U.S. trade performance and international competitiveness.



Lionel H. Olmer
Under Secretary for
International Trade



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HIGHLIGHTS OF THE REPORT

After six years of deficits of roughly \$40 billion, in 1983 the U.S. trade deficit jumped by \$26.5 billion to a record \$72.5 billion. The 1983 deficit increase was produced by a 5.4 percent export decrease and a 6.0 percent import increase. (Values exclude exports of foreign merchandise and imports not entered for consumption.)

The underlying deterioration in the total U.S. trade balance has been obscured by the decline in the U.S. cost of oil imports in 1982 and 1983, and the continued rise in U.S. export prices. Decreasing oil import costs have partly offset the value of growing U.S. non-oil imports. Also U.S. export volume began dropping in 1981, while U.S. export prices continued rising through 1983.

The deterioration in the overall U.S. trade balance reflects worsening balances with most key partners and especially with the non-oil producing developing nations (LDCs). The largest bilateral deficit in 1983 was \$22.1 billion with Japan, followed by \$15.6 billion with Canada.

The deficit in manufactures trade nearly quadrupled in 1983—reaching \$38.2 billion and worsening by more than the overall U.S. trade deficit. Between 1980 and the fourth quarter of 1983 the volume of manufactures exports decreased by 22 percent while manufactures import volume increased by 41 percent.

Even the trade surplus in high technology goods—a traditional U.S. strength—shrank sharply in 1983. The U.S. agricultural export surplus also decreased in 1983.

The quantity and price of U.S. oil imports continued decreasing, but U.S. exports to OPEC also continued contracting in response to their reduced oil revenues.

A major share of the 1983 deficit was due to the cumulative effects of the four-year appreciation of the U.S. dollar on U.S. export price competitiveness. Exports to Latin American and other developing countries experiencing debt-servicing problems declined further. The strong upsurge in the U.S. economy contributed to the rapid growth of imports, while slow recovery or economic stagnation abroad restricted U.S. exports. Also contributing to the decline in U.S. price competitiveness was the widened gap between U.S. and foreign unit labor costs.

The 1983 decrease in U.S. export volume contributed further to the loss of export-related jobs already lost in 1981 and 1982. The 1983 export related job losses were a major negative factor in an otherwise strong U.S. economic recovery.

In 1983 the merchandise trade deficit increase was accompanied by shrinking surpluses in tradeable business services and other services. The resulting deterioration of the U.S. current account might have been expected to, but did not depress the exchange rate of the dollar and thus improve U.S. price competitiveness. Large net capital inflows, higher rates of return on investments and greater financial security in the United States continued to frustrate any downturn in the exchange rate.

The outlook for 1984 is another large rise in the U.S. trade deficit to the \$120 to \$130 billion range. A decline in the dollar's exchange rate would initially worsen the deficit before having a favorable longer term effect. Even a dollar decline of twenty percent would, however, still leave a large U.S. trade deficit. The recent economic recovery in other industrial countries should stimulate U.S. exports in the coming years, but the LDC debt problems will continue to depress U.S. exports.



Chapter I.—U.S. TRADE IN PERSPECTIVE

This annual trade report focuses principally on recent trends and developments that produced the deficit in U.S. merchandise trade (trade in goods). The report also examines the causes of the increased trade deficit and prospects for the near future.

From 1978 to 1982 the United States merchandise trade was in large deficit—hovering around \$40 billion annually. In 1983 the deficit jumped to a record level of \$72.5 billion¹—a 58 percent increase. The deficit continues to grow and is expected to reach nearly \$130 billion in 1984. (These values exclude exports of foreign merchandise and imports not entering domestic consumption.)

The deterioration in U.S. trade performance did not occur overnight. Many factors both at home and abroad contributed to it. This chapter briefly outlines some longer-term trends in world trade and describes the U.S. role and performance.

The causes and consequences of recent U.S. trade performance are covered in more detail in the following chapters. The U.S. deficit is described in Chapter II, and commodity and trading-partner trends are covered in Chapters III and IV. Chapter V looks at causes of the deficits and VI examines effects on the U.S. economy. Chapter VII describes the relationship between U.S. merchandise trade deficits and U.S. performance in tradeable business services and other financial flows. The outlook for 1984 and beyond is treated in Chapter VIII.

WORLD TRADE

International trade in goods and services has played the key role in rapid growth of the world economy. Between 1960 and 1981 the volume of merchandise trade grew 50 percent faster than world output. World trade growth has produced a growing interdependence among nations and has enabled them to achieve higher levels of income and consumption than would otherwise be possible. The viability of this world trading system, of course, depends on open access to international goods, services, and capital markets.

¹ In this report exports include only U.S. produced goods, and imports include only goods actually entering into the United States for consumption. The \$69.4 billion figure sometimes used to describe the 1983 deficit includes reexports of foreign merchandise and imports that go into bonded warehouses or Free Trade Zones. For further discussion, see the note beginning the Statistical Appendix and Appendix Table 2.

International trade has grown steadily for the last forty years except for occasional cyclical interruptions. Since 1980 a cyclical downturn in the world economy has restricted the trade volume of both developed and developing countries. For most countries the downturn began in 1980 or 1981, and the bottom of the recession was reached in 1982-83.

The recession, mainly originating in developed countries, combined with other events to reduce significantly world-wide trade. Industrialized countries cut their oil imports in response to high oil costs and recessions in their economies. These oil import reductions cut the export income of oil exporting countries and reduced their ability to import goods and services. The recession also cut demand for the exports of non-oil LDCs and made it more difficult for them to service their debts. In turn, LDC import cutbacks, forced by their debt servicing problems, slowed recovery in the developed countries.

As a result of these problems, world trade decreased by 1 percent in 1981 and 6 percent in 1982. In 1983, with economic recovery underway for some nations, world trade grew about 1 percent. Effects of the recession on trading patterns and trade levels, however, will likely continue for some time.

The United States is the world's largest trading nation. Nevertheless, trade is relatively more important to many other countries than to this country. Many other industrial nations have long been and are increasingly heavily dependent on international trade. Furthermore, newly industrializing developing countries (NICs), such as South Korea, are pursuing export led growth strategies—dramatically increasing their ratios of exports to gross national product (GNP). (See Figure 1.1.)

U.S. MERCHANDISE TRADE

Although the United States remains the world's largest exporter and importer, other countries have been increasing their shares of the growing world trade. Between 1960 and 1982 the U.S. share of world exports declined from 17.8 percent to 12.4 percent. In contrast, during the same period the U.S. share of world imports rose from 13.4 percent to 14.3 percent. (See Figure 1.2.)

The value of U.S. merchandise trade has grown rapidly over the past twenty years. Between 1960 and their pre-recession peak in 1981, exports increased from \$20.4 billion to \$229 billion. Imports

Figure 1.1

RATIO OF MERCHANDISE EXPORTS TO GNP 1982

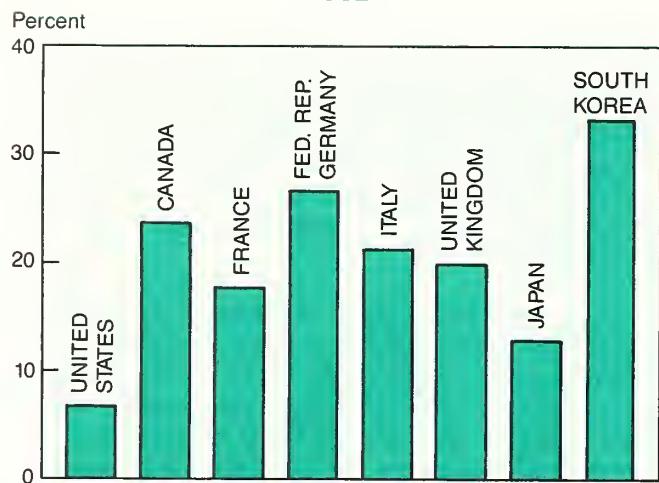
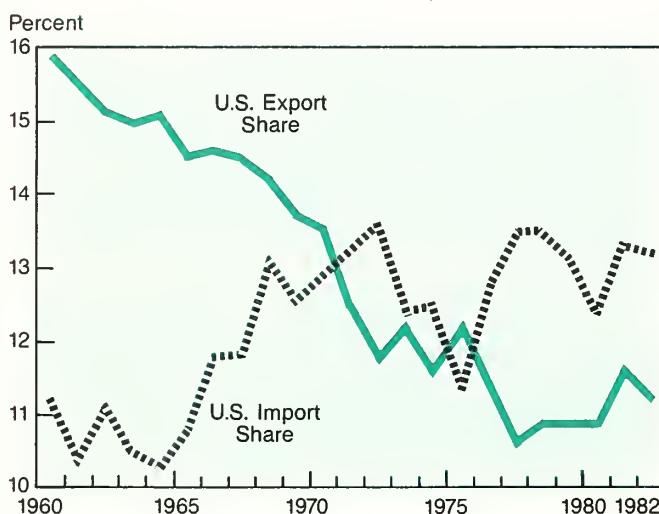


Figure 1.2

SHARE OF U.S. EXPORTS & IMPORTS IN TOTAL WORLD TRADE*, 1960—1982



*Includes trade with centrally-planned economies.

over the same years rose from \$20.4 billion to \$271 billion. While much of this growth in current dollar values reflects world inflation, most of it is real growth. In 1982 the volume of U.S. exports was 3.0 times as large as in 1960; 1982 import volume was 3.4 times larger.

Merchandise exports have steadily increased in importance to the U.S. economy, increasing from 4.1 percent of GNP in 1960 to a high of 8.2 percent in 1980.

U.S. Commodity Trade Trends

Many items now traded did not exist as recently as 10 years ago—such as video cassette recorders

and commercial satellite communications equipment. New, sophisticated, high technology goods have become increasingly important in U.S. exports and imports. The major share of U.S. trade, however, still is in more traditional goods.

Reflecting the changing technology and consumption patterns, between 1960 and 1983 the manufactures share of total U.S. exports rose from 65 percent to 68 percent. Categorized by end use, the share of total U.S. exports in industrial supplies and materials declined from 40.9 percent to 30.6 percent, while capital goods increased from 28.5 percent to 34.3 percent. Motor vehicles and parts also increased from 6.7 to 8.6 percent, while the share in other consumer goods, and in foods, feeds and beverages remained relatively constant. (See Figures 1.3 and 1.4.)

Proportionately larger shifts occurred in the consumption of U.S. imports. The manufactures share of imports rose from 47 to 64 percent between 1965 and 1982. Over the same period, the European Community also experienced a significant increase in the manufactures share of imports, growing from 49 percent to 57 percent, but in Japan the share barely grew from 22 percent to 23 percent. On an end-use basis, capital goods and automotive shares increased about fourfold, and consumer goods also registered a large share increase. Foods, feeds, and beverages, as well as industrial materials shares (including oil) declined markedly, notwithstanding the dramatic oil cost increases in the 1970s.

U.S. Trading Partners

About one-third of U.S. trade is conducted with Western Hemisphere countries—mainly Canada, Mexico, and South America. In recent years the share of U.S. trade with OPEC has declined as a result of the drop in oil prices and imports. Also in recent years, Pacific Basin countries, particularly Japan and the East Asian NICs,² have begun to rival Europe in importance as U.S. trading partners.

Canada has long been the largest single U.S. trading partner, and its share has changed little since 1960. The European countries' share of U.S. exports and imports has dropped somewhat, while Japan's share has grown significantly. The share of the East Asian NICs has also grown sharply. (See Figure 1.5.)

² The newly industrializing East Asian countries: Hong Kong, Republic of Korea, Singapore and China (Taiwan).

Figure 1.3
U.S. TRADE BY END-USE CATEGORY SHARES, 1960 & 1983
(In Percent)

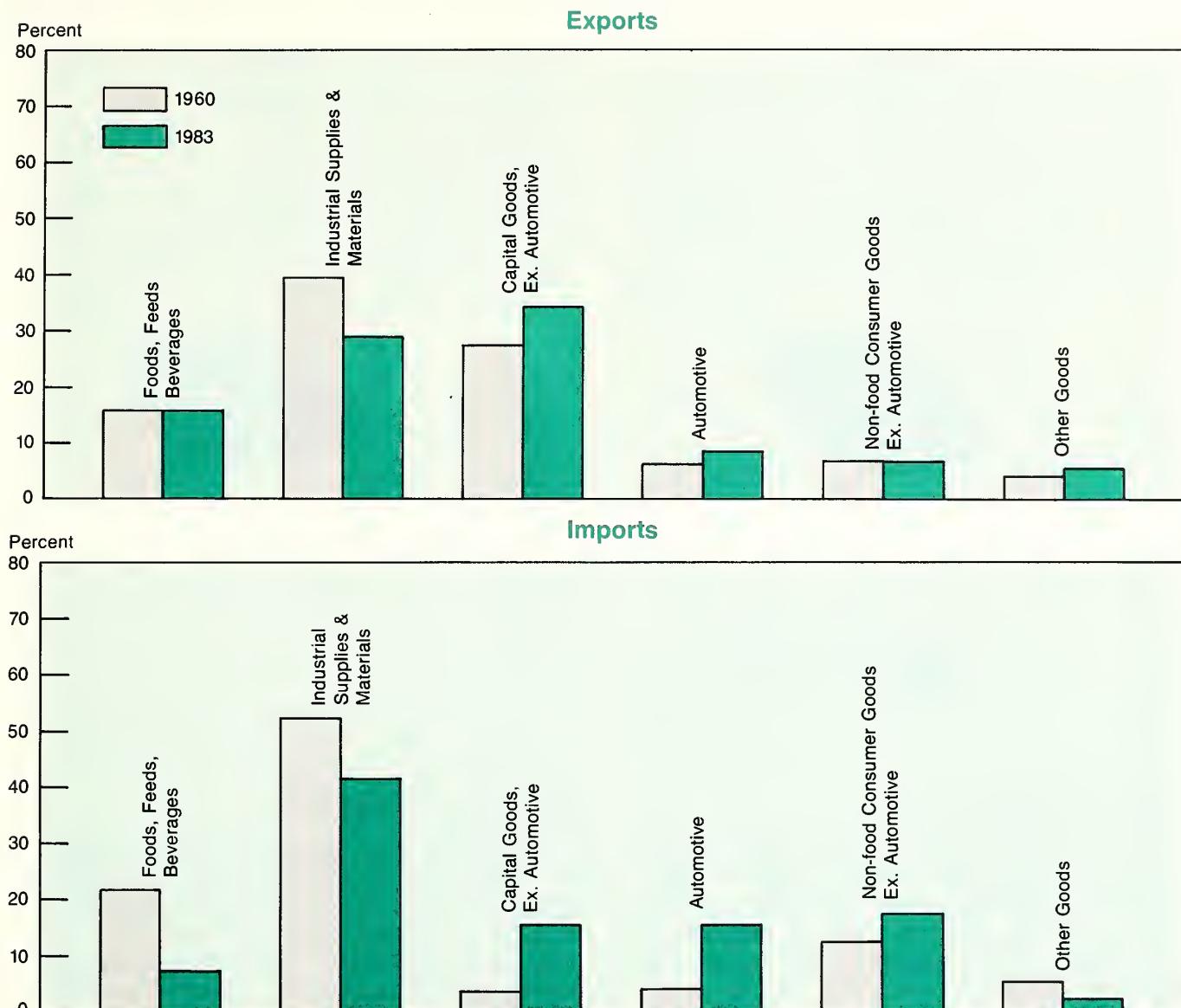


Figure 1.4
U.S. TRADE BY END-USE CATEGORY, 1983

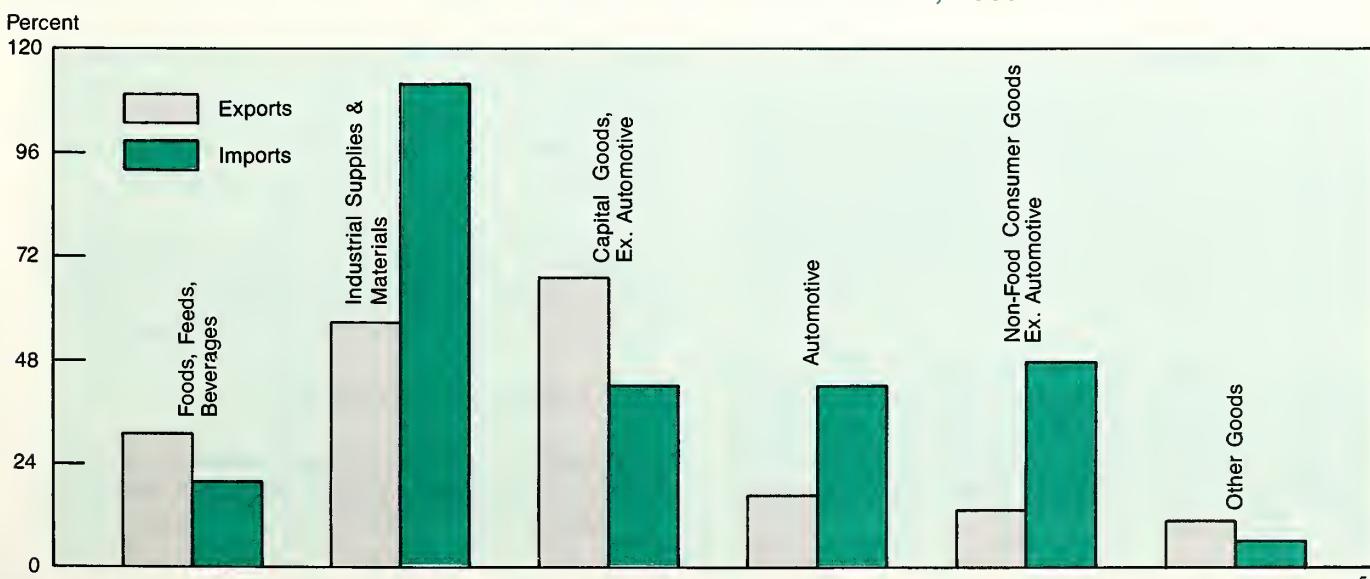
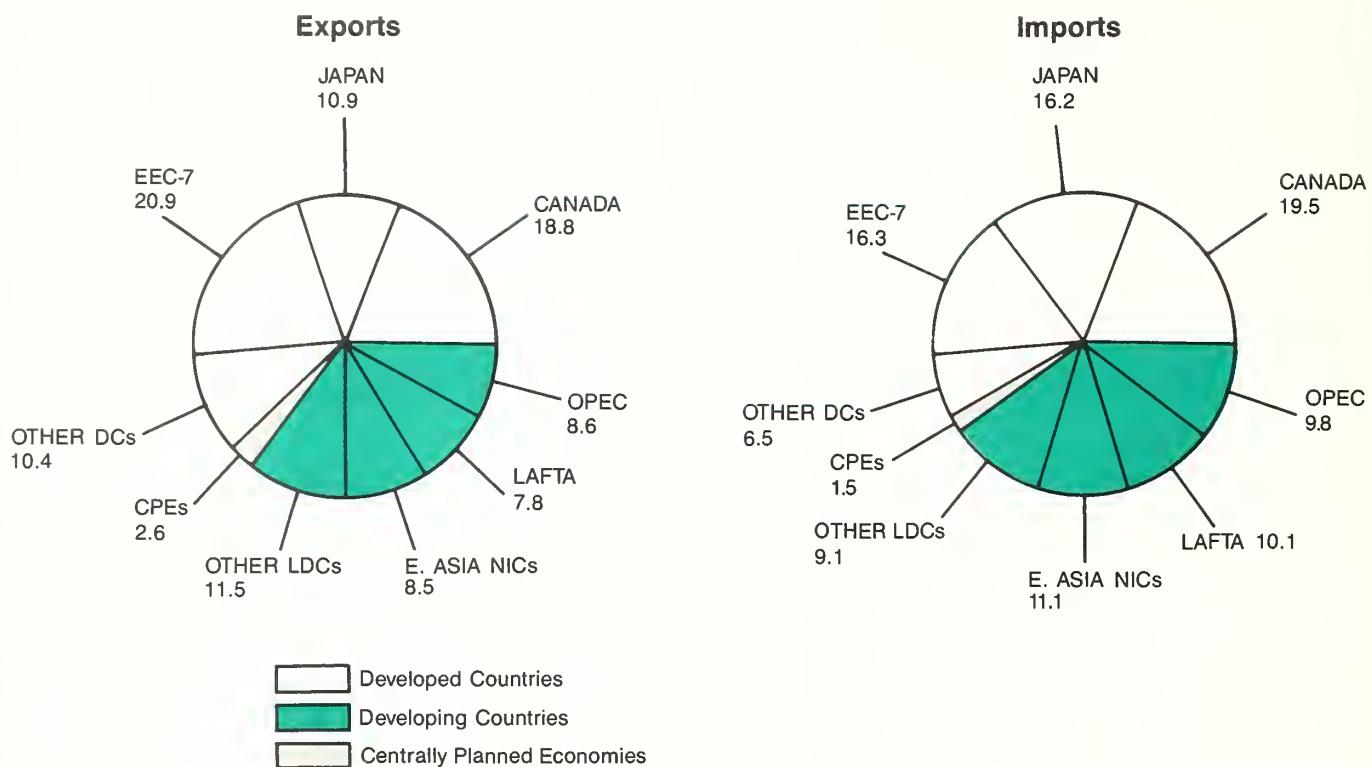


Figure 1.5
U.S. MAJOR TRADING PARTNERS IN 1983
(In Percent)



Immediate Deficit Causes

There is little doubt as to the three leading sources of the rapid increase in the 1983 merchandise trade deficit: the high dollar exchange rate, strong U.S. economic recovery coupled with continued economic stagnation abroad, and the LDC debt crisis.

Appreciation of the U.S. dollar since 1980 reduced the price competitiveness of U.S. goods in foreign markets and at home. The high value of the dollar may be responsible for up to one-half of the current deficit.

The U.S. economy rebounded from the recession more quickly and vigorously than other nations, especially the European Community. The result was that U.S. exports to the developed nations were essentially flat in 1983, while U.S. imports increased markedly in response to the strong growth in the U.S. economy.

The LDC debt crisis forced cuts in LDC imports that dramatically impaired U.S. export performance. U.S. exports to developing nations dropped by \$10 billion in 1983 alone and a total of \$17 billion since 1981—a drop concentrated in Latin America.

Long-term Deficit Causes

In addition, there are some underlying negative trends in U.S. trade performance that have persisted through business cycles and changes in exchange rates. For example, imported capital goods have steadily increased their penetration of the U.S. market from 6 percent in 1970 to 19 percent in 1983.

Also apparent is a continuous, and perhaps accelerating, narrowing of the U.S. technological advantage that was the foundation of much of U.S. export capability. The rapid economic development of other nations, particularly in Asia, has enabled their industries increasingly to produce sophisticated goods that compete directly with U.S. products, both in terms of technology and quality.

These long-term trends reflect a persistent rise in import penetration of the U.S. market due to other nations' growing technological capability and lower unit labor costs in competitive products.

U.S. TRADE IN SERVICES

In addition to exports of merchandise, the United States is also the world's largest exporter of services—both tradeable business services (e.g.,

transportation, tourism, insurance, financial services, and fees and royalties) and earnings on international investments (e.g., dividends and interest on loans).

The U.S. services export surplus has been an important offset against U.S. deficits in merchandise trade. In 1982, however, the U.S. export surplus in services not only stopped growing, but declined to \$43 billion and to \$35 billion in 1983. This decline in the traditional export surplus in services reflects a reduced surplus in income from U.S. investments abroad over income earned by foreigners from investments in the United States. It also results from a rapid growth in U.S. imports

of tradeable business services provided by foreign firms, while U.S. exports of business services have been hurt by dollar appreciation and increasing foreign restrictions.

Large accumulations of international direct investments around the globe by an increasing number of countries have increased international economic interdependency and helped integrate the financial and commercial interests of the free world and its trading partners. The United States has long been the world's largest foreign direct investor abroad, and recently has become the largest single recipient of foreign direct investment by other countries.



Chapter II.—RECORD 1983 U.S. MERCHANDISE TRADE DEFICIT

In 1983 the U.S. trade deficit worsened markedly, increasing by 58 percent to \$72.5 billion from \$46.0 billion in 1982. (See Figure 2.1.) This major growth of the deficit reflected dual problems—a further drop in the foreign demand for U.S. exports and a strong upsurge in U.S. demand for imports. Exports decreased by 5.4 percent and imports increased by 6.0 percent. (See Figure 2.2.)

Figure 2.1
U.S. MERCHANDISE EXPORTS, IMPORTS & DEFICIT, 1976-1983

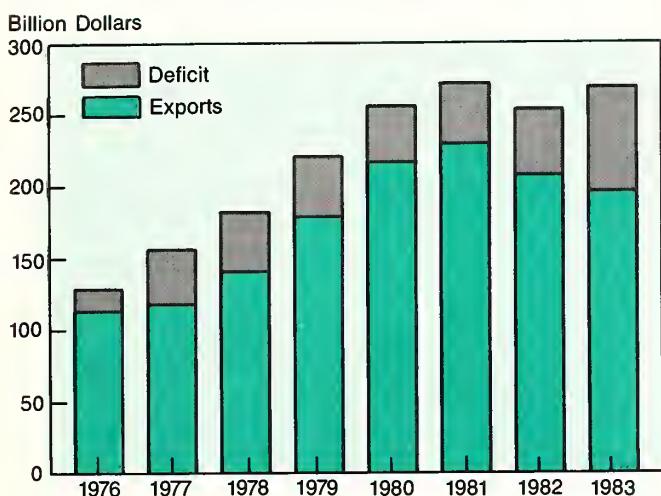
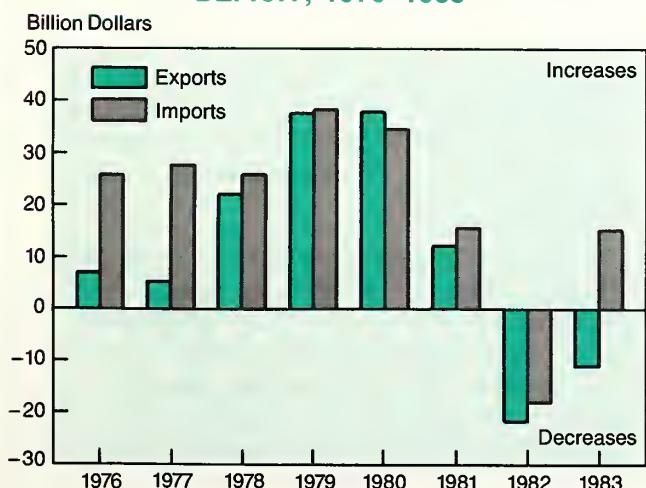
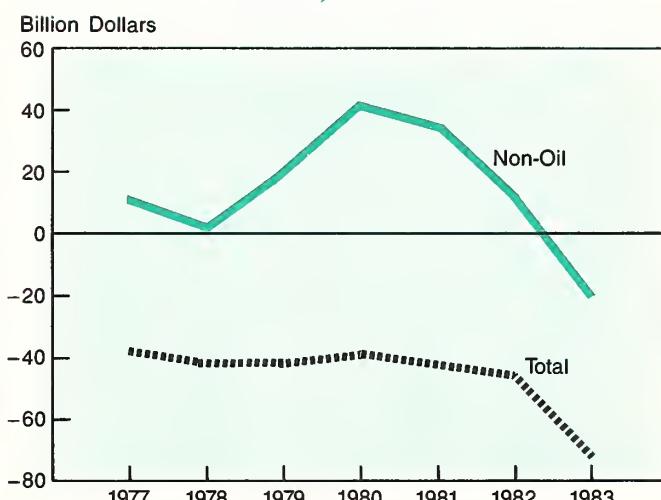


Figure 2.2
SOURCES OF CHANGES IN U.S. TRADE DEFICIT, 1976-1983



U.S. oil imports are a very large component of U.S. trade that can fluctuate markedly due to changes in oil prices and import quantities. These fluctuations can mask underlying trends in non-oil trade. This has occurred since 1980 as decreasing oil import costs have offset the growing U.S. trade deficit in non-oil trade. The U.S. trade balance excluding petroleum and products dropped from a surplus of \$40.8 billion in 1980 to a deficit of \$21.9 billion in 1983, for a negative swing of \$62.7 billion. (See Figure 2.3.)

Figure 2.3
U.S. TRADE BALANCE, TOTAL AND NON-OIL TRADE, 1977-83



Manufactured goods were the principal component of our increasing trade deficit. The deficit in manufactures nearly quadrupled from \$10.6 billion in 1982 to \$38.2 billion in 1983. This \$27.6 billion increase in the trade deficit in manufactured goods was larger than the overall trade deficit increase. (See Figure 2.4.) The ongoing decrease in manufactures exports slowed in 1983, but imports accelerated, growing by 13.5 percent.

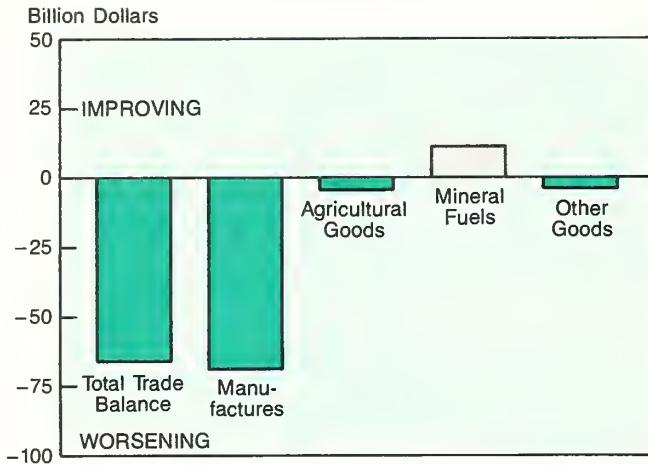
In 1983 there were also small decreases in the U.S. export surpluses in agricultural goods and other non-manufactured goods. The only major offset to these deficit increases was the continued decreased cost of petroleum imports.

The U.S. bilateral trade position with most key trading partners worsened in 1983, with the notable exception of Saudi Arabia. For most nations, the U.S. deficits grew or, as with the European Economic Community (EEC), slipped from a small surplus in 1982 to a deficit in 1983. Trade with

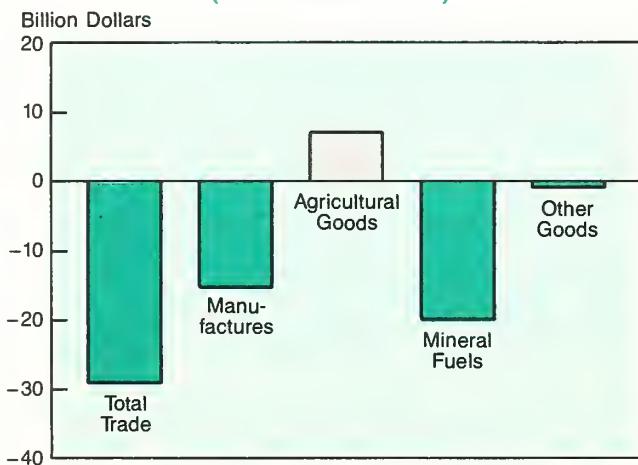
the countries of the Latin America Free Trade Area³ (LAFTA), the East Asian NICs, and the EEC-7⁴ accounts for nearly two-thirds of the worsening of the overall deficit. (see Figure 2.5.)

Figure 2.4

WORSENING U.S. TRADE BALANCES 1982-1983



U.S. TRADE BALANCE, 1983 (BY COMMODITY)



The largest U.S. bilateral deficit in 1983 (\$22.1 billion) was with Japan and equaled one-third of the total U.S. deficit. The Japan deficit grew \$2.9 billion in 1983. (See Figure 2.6.) The second largest deficit was \$15.6 billion with Canada. The overall deficit with the non-OPEC developing countries, as a group, was far larger—\$27.3 billion. Most of this \$27.3 billion was accounted for by deficits of \$13.0 billion with the East Asian NICs, and \$ 11.1 billion with two of the debt-crisis countries—Mexico and Brazil.

³ Although LAFTA has been replaced by the Latin America Integration Association, the LAFTA grouping is used in this report to maintain continuity in the statistics.

⁴ The largest trading countries in the European Economic Community: Belgium/Luxembourg, France, Federal Republic of Germany, Italy, Netherlands, and United Kingdom.

Figure 2.5

WORSENING U.S. TRADE BALANCES, 1982-83 (By Trading Partner)

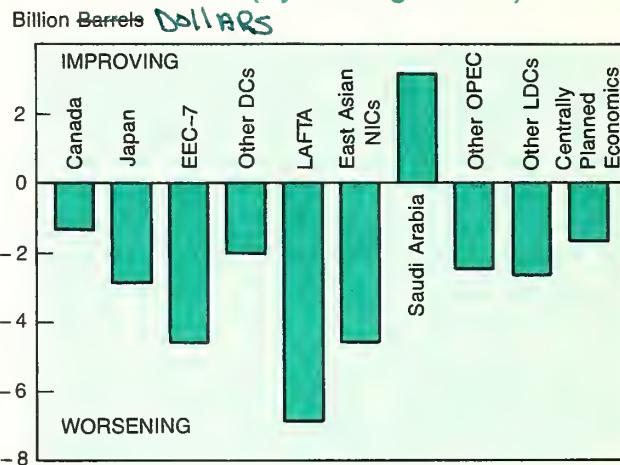
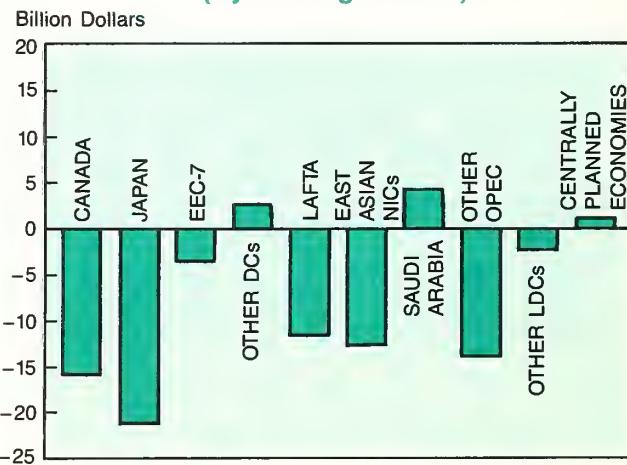


Figure 2.6

U.S. TRADE BALANCES IN 1983 (By Trading Partner)



The continued rise in U.S. export prices has obscured the timing and extent of the deterioration in U.S. export volume during the past several years. The volume of U.S. exports began dropping in 1980, while the decline in value did not begin until nearly mid-1981. Furthermore, the 1981-83 decline in volume was far more precipitous than that in value due to the inflation in export prices. In 1983, export volume reached its lowest level since 1977.

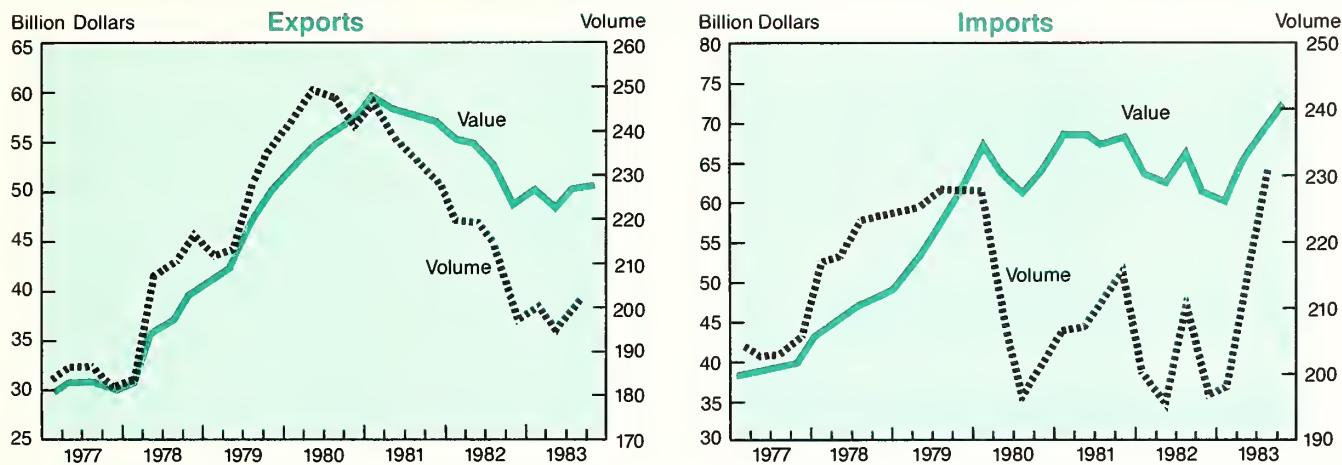
U.S. imports grew considerably faster than the domestic economy in 1983, benefiting from U.S. economic recovery more than comparable U.S. industries and thus increasing their share of the U.S. market. The 10.0 percent growth in import volume was triple the 3.3 percent real growth rate of the U.S. economy and nearly twice the 6.6 percent rise in U.S. industrial production.

The value and volume of U.S. exports stopped falling about mid-1982 and stabilized throughout 1983. (See Figure 2.7.) This export stability occurred for manufactures—both high tech and non-high tech—and agricultural and other commodities.

The value and volume of imports rose in each

quarter of 1983 after reaching bottom at the beginning of the year. By the third quarter of 1983 imports exceeded their earlier 1979 peak. This quarterly growth was mainly in manufactures, both high tech and non-high tech goods, with an irregular but rising trend in petroleum imports throughout 1983.

Figure 2.7
**U.S. TRADE, VALUES & VOLUMES, QUARTERLY,
 1977-1983**
 (Seasonally Adjusted Volume: 1967 = 100)



more than the 1990-91 average from 1985-86. The growth in imports has been more than twice as fast as that of the economy, and the present growth in imports is likely to continue. The growth in imports and exports will be the major factor in the growth of the economy, and the major factor in the growth of the economy will be the growth in imports.

Chapter III.—MAJOR COMMODITY DEVELOPMENTS

The 1983 decline in exports was largely concentrated in manufactures. A drop in coal exports was the most significant decline in non-manufactures exports. Agricultural goods exports held steady in 1983 after declining in previous years.

The large 1983 increase in imports was heavily concentrated in manufactured products, which rose by \$20.3 billion—an amount exceeding the overall import increase. This increase in manufactures imports, however, was partly offset by a \$7.4 billion decrease in imports of petroleum and products.

TRADE IN MANUFACTURES

Manufactures make up two-thirds of total U.S. trade. Between 1970 and 1981, manufactures accounted for 67 percent of overall U.S. export growth and 53 percent of overall import growth. The composition of manufactures exports differs somewhat from that of imports. The largest share of U.S. exports of manufactures consists of capital goods, while the largest import shares are autos and consumer goods.

Prior to the 1970s the United States consistently ran trade surpluses in manufactured products. Beginning in 1971, however, this country began to experience deficits. Throughout the 1970s the balance in manufactures fluctuated widely in response to business cycles and shifts in the exchange rate.

In 1983 the trade deficit in manufactured goods grew to a record level as a result of a 5.2 percent decline in manufactures exports and a 13.5 percent increase in manufactures imports. The 1983 deterioration in the manufactures trade balance was a continuation of a trend that began in 1981. (See Figure 3.1.) Most of this deterioration was in non-high tech goods.

Manufactures trade trends on a volume basis differ from the value trends. The 1981-83 deterioration in the U.S. manufactures trade balance in terms of value was mitigated by the effects of rising export prices. Export values began dropping only in 1982, but volumes began decreasing earlier in 1981. Between 1980 and 1983 the volume of manufactures exports fell about one-fourth, while the import volume faltered only in 1982 and surged ahead in 1983. At the end of 1983 export volume was 22 percent lower than in 1980, while import volume was 41 percent higher.

The causes of the 1983 increase in the manufactures trade deficit can be identified by exam-

ining separately the trends in imports and exports of manufactures in recent years.

Export Trends

The value of U.S. manufactures exports peaked in 1981 at \$154.3 billion and then declined in 1982 by \$14.6 billion and an additional \$7.3 billion in 1983. The 1983 decline in the value of manufactures exports was almost entirely in shipments to LDCs—mainly to Latin America. Moreover, the decline was largely in capital goods exports, which decreased by \$5.5 billion in 1983. (See Table 3.1.)

Figure 3.1

U.S. TRADE BALANCE IN HIGH TECH & NON-HIGH TECH MANUFACTURES, 1970-1983

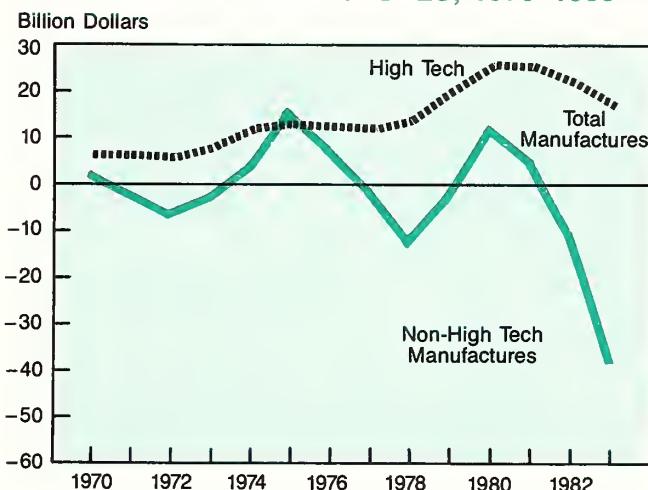


Table 3.1—Largest Manufactures Export Decreases in 1983
(Millions of dollars)

Construction equipment	\$2,560
Materials handling equipment	647
Tubes, pipes and fittings	514
Trucks & special purpose vehicles	506
Tractors	505
Floating structures	450
Heating and cooling equipment	429

Exports of some manufactures did increase in 1983. The largest increases included passenger cars (+\$1.3 billion), parts for office and ADP machines (+\$1.0 billion), aircraft and parts (+\$414 million) and ADP equipment (+\$405 million). The auto export increase, however, was

entirely in shipments to Canada (+\$1.5 billion). That auto export increase was offset by nearly the same size increase in imports of Canadian autos. The 1983 increase in aircraft and parts exports returned them to their 1980 level, but they were still \$2.5 billion below their 1981 peak.

The 1983 decline in manufactures exports was less than the \$14.6 billion decrease in 1982. Unlike in 1983, the 1982 export drop was not limited to LDCs. Exports to developed countries in 1982 fell by \$8.6 billion, with the largest drop of \$4.6 billion occurring in shipments to Canada.

Just as in 1983, during the entire 1981-83 period, the largest decline in manufactures exports was in capital goods. Exports of four products during 1981-83—aircraft, construction equipment, materials handling equipment, and tractors—fell by a total of \$7.8 billion. Other big losses were in trucks, machine tools, heating and cooling equipment, agricultural machinery, and tubes, pipes and fittings.

Increases in exports during 1981-83 included parts for office and ADP machines, up by \$1.2 billion, ADP equipment by \$632 million, aircraft engines by \$353 million, and pharmaceuticals by \$326 million. Although the growth in ADP equipment exports was large, that growth was slower than in previous years.

Import Trends

The pattern of increases in manufactures imports bears little resemblance to the export pattern. Imports from virtually all regions increased in 1983. Particularly noteworthy was the rapid rise in imports from the East Asian NICs.

Large 1983 manufactures import increases occurred in capital goods, vehicles and consumer goods. Imported industrial supplies declined, reflecting both the contraction in U.S. industrial activity in 1982 and reduced import prices. Largest individual product increases were in motor vehicles and parts, parts for office machines and ADP equipment, silver, platinum and other metals, and telecommunications equipment.

Non-High Technology Goods

Over the years, the U.S. trade performance in non-high technology goods has been distinctly poorer than in so-called high tech products. High tech products can be defined as the manufactured products embodying directly and indirectly a much higher amount of research and development (R&D)

expenditures than other goods.⁵ In 1983, non-high tech goods accounted for 56 percent of U.S. exports of manufactures and 76 percent of U.S. imports of manufactures.

For many years the United States has incurred trade deficits in non-high technology manufactured goods. These deficits have risen dramatically since 1980. The increasing imports of these non-high technology goods have been the principal cause of the worsening overall U.S. trade deficit in manufactures (as shown in Figure 3.1). In 1983, non-high tech manufactures accounted for three-fourths of the total U.S. trade deficit. The continued increases in imports of non-high tech manufactures reflect declining U.S. competitiveness in goods that compete largely on the basis of price differences because they are relatively homogeneous. In turn, these price differences are largely determined by differences in unit labor costs.

In 1983, the worst deterioration in non-high technology manufactures trade balances was in organic chemicals (-\$500 million), paper mill products (-\$500 million), non-ferrous metals (-\$2.3 billion), textiles excluding clothing (-\$900 million), and apparel and clothing (-\$1.8 billion). The largest deficit increase was in motor vehicles including trucks and buses, a deficit increase of \$5.1 billion.

Our trade deficit in automobiles continued to worsen in 1983 despite Japan's voluntary export restraint. The U.S. deficit in autos increased by \$1.9 billion, reaching a total of \$19.6 billion. Japan accounted for \$1.2 billion (63 percent) of the 1983 increase in the auto deficit and a like percentage of the 1983 total deficit. A 7.4 percent rise in the average U.S. import unit value accounted for most of that increase in the value of Japanese imported autos.

Steel was a major non-high tech product in which the 1983 trade balance improved. A large drop in imports reduced the steel deficit by \$2.3 billion to \$3.0 billion in 1983.

High Tech Trade

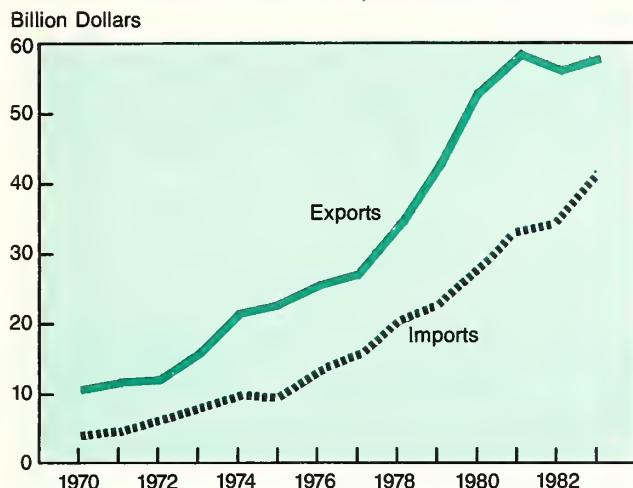
The traditional U.S. comparative advantage in technology did not prevent a decrease in the U.S. export surplus in high technology trade between 1980 and 1983. Unlike in previous years, improved trade performance in high tech goods was not available to offset the worsening deficit in non-high tech goods.

⁵ High tech categories are listed in Appendix Table 14. This list is based on the DOC-3 definition, reported in: U.S. Department of Commerce, Office of Trade and Investment Analysis, *Technology Intensity of U.S. Output and Trade*, July 1982.

The high tech surplus dropped by 23 percent—from \$22 billion in 1982 to \$17 billion in 1983. (See Figure 3.1.) This drop in the surplus since 1981 reflects a stagnation in high tech export growth and a rapid increase in imports. (See Figure 3.2.) Not only did 1983 high tech imports grow by 20 percent on an annual basis, they grew rapidly each quarter, rising between the fourth quarters of 1982 and 1983 by 42 percent.

Figure 3.2

**U.S. HIGH TECH EXPORTS
AND IMPORTS, 1970-1983**



The main causes of the shrinkage in the U.S. overall high tech trade surplus in 1983 were the continued rapid growth of the deficit in high tech goods with Japan and the East Asia NICs, and the decreasing surplus with key Latin American countries. (See Table 3.2.)

Table 3.2—U.S. High Tech Trade By Region
(Billions of dollars)

	EEC-7	Canada	Japan	East Asian NICs ¹	LAFTA ²
1982:					
Exports	\$15.2	\$5.7	\$4.6	\$4.4	\$4.5
Imports	6.7	3.4	11.1	5.8	2.0
Balance	8.5	2.3	-6.5	-1.4	2.5
1983:					
Exports	15.8	6.3	5.4	5.5	4.0
Imports	7.0	3.5	14.3	8.1	2.5
Balance	8.8	2.8	-8.9	-2.6	1.5
1982-83:					
Change in Balance	+0.3	+0.5	-2.4	-1.2	-1.0

¹ Hong Kong, Republic of Korea, Singapore, China (Taiwan).

² Except Ecuador and Venezuela.

The U.S. competitive position deteriorated some years ago in the largest high tech category—communication equipment and electronic components. In 1983 imports exceeded exports of communication equipment and electronic components by 70 percent. There are some indications that the U.S. competitive position may be eroding in other high tech areas as well. (See Table 3.3.)

Table 3.3—Trade Balances in Selected High Tech Products, 1983
(Billions of dollars)

Item	1982	1983
Total high tech	\$22.0	17.0
Communication equip. & electronic components	-5.0	-8.0
Aircraft engines & parts	10.6	11.7
Office & ADP machines	6.1	4.8
Plastic materials; synthetic resins, rubber & fibers	3.6	3.0
Engines, turbines & parts	2.0	1.5
Drugs & medicines	1.2	1.2
Ordinance & accessories	0.5	0.8
Professional & scientific instruments	1.3	0.6
Industrial inorganic chemicals	0.6	0.4

It is difficult to assess the extent to which the recent decline in U.S. high tech trade performance stems from short-term factors such as early U.S. economic recovery or an over-valued dollar, or from long-term factors such as a narrowing of the underlying U.S. technological advantage. Some evidence that the decline in the high tech trade performance partly reflects long-term factors is the steadily rising high tech share of U.S. manufactured imports well before the 1981-83 dollar appreciation and the 1983 U.S. economic recovery. (See Figure 3.3.) The shifts in exchange rates make it impossible to determine if there is any real long-term downward trend.

Two-thirds of U.S. high tech exports are accounted for by three categories—aircraft and parts, computers and related equipment, and communication equipment and electronic components. (See Figure 3.4.) The same three categories account for an even slightly larger share of U.S. high tech imports. Imports in the two electronic categories are rising rapidly.

Trends in U.S. Share Performance

Measured in terms of trade shares, the data suggest that there may be some decline in U.S. competitiveness in the world market for manu-

Figure 3.3

HIGH TECH SHARE OF U.S. MANUFACTURES, EXPORTS & IMPORTS, 1970-1983

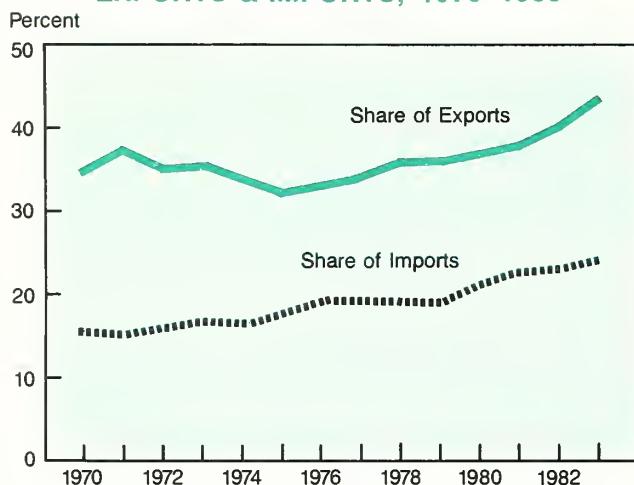


Figure 3.5

U.S. SHARE OF INDUSTRIAL COUNTRIES' MANUFACTURES EXPORTS, 1970-1983 (Total and High Tech, Excl. U.S. Market)

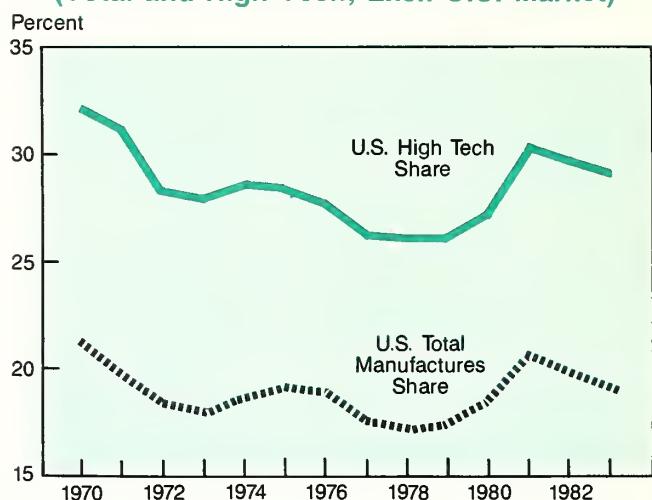
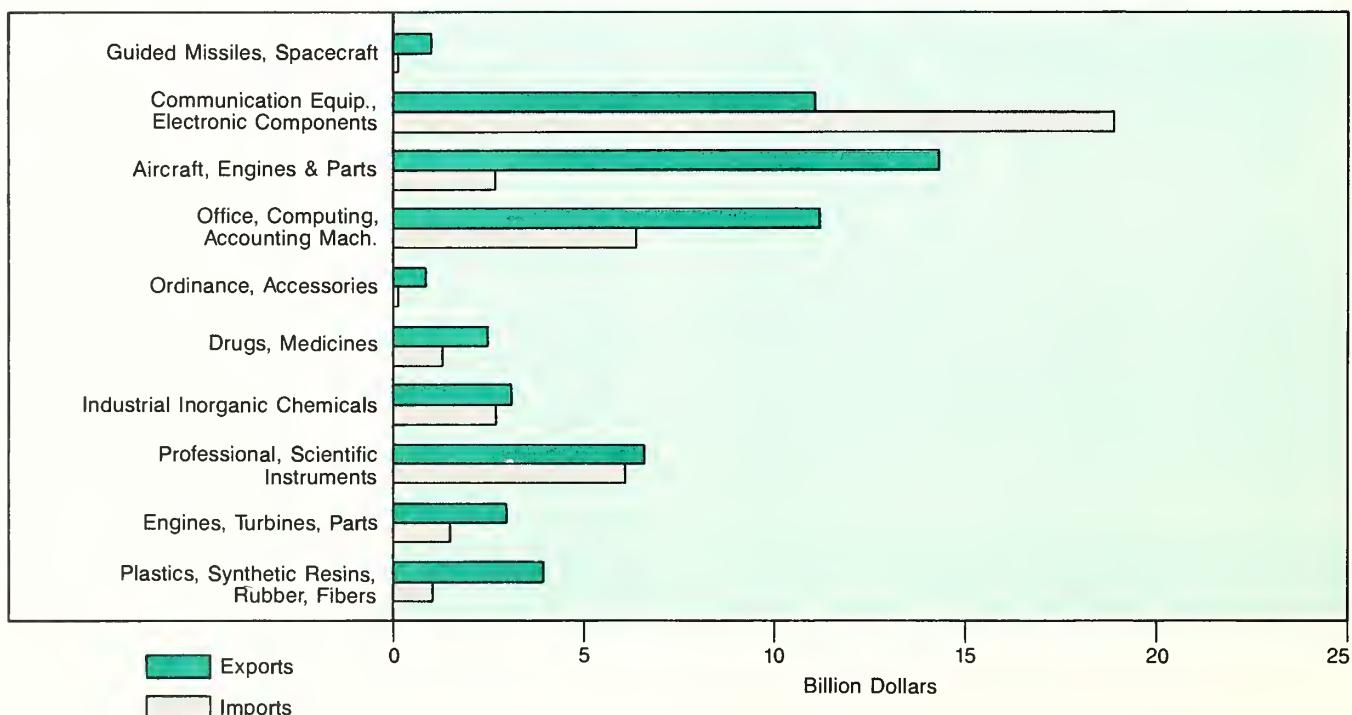


Figure 3.4
U.S. HIGH TECH PRODUCT TRADE, 1983



factures. The U.S. share of manufactured exports of the 14 industrial countries to markets outside the United States declined between 1970 and 1980 from 21 percent to 18 percent. The fluctuations in the trade share, due in part to exchange rate changes, make it difficult to reach a definite conclusion about U.S. competitiveness. (See Figure 3.5.)

The effect of exchange rate changes on shares is apparent in the very recent data. Measured in U.S. dollars, the U.S. share showed a recovery in 1980 and 1981. The value shares for these years,

however, mask a declining U.S. competitive performance in volume terms. Value shares rose during 1980-81 because the rising dollar depressed the value of other nations' exports when measured in dollars. Beginning in 1982, however, U.S. export volume losses exceeded exchange rate effects and the value shares declined in 1982 and continued downward in 1983.

Rough estimates, based on 1980, indicate that the U.S. export volume shares of manufactures exports of 14 industrialized countries dropped

from 16.4 percent in 1980 to 14.3 percent in 1982 when the U.S. market is included, and from 18.3 percent to 16.0 percent when the U.S. market is excluded.

It is also important to note that these share figures measure only the U.S. share of exports of the 14 industrialized countries and, therefore, do not reflect the recent but significant inroads into world markets by the NICs. As the NICs gain in manufactures export competitiveness, the share of the 14 industrialized countries in exports to the world can be expected to decline.

AGRICULTURAL TRADE

The United States is a major net exporter of agricultural commodities. Agricultural export surpluses have been an important offset against deficits in other products.

Exports are a very important source of income to agriculture. Roughly two out of every five acres of farmland or their equivalent produce for export, and agricultural exports account for about one-fourth of farmers' cash receipts. Exports are particularly crucial to sales of several U.S. crops. On average, exports take sixty percent of U.S. wheat and rice production, over one-half of the soybean and cotton, and a third of the corn, sorghum and tobacco.

In 1983, not even agricultural exports were invulnerable to negative factors, decreasing by \$500 million in 1983 to \$36.1 billion. Both lower quantities and marginally lower prices accounted for the decline. Lower export volumes were due to several causes: the stagnant level of world demand, the severe U.S. drought that significantly reduced supplies of some commodities, improved crop production abroad, and foreign competition intensified by the effect of high dollar exchange rates on U.S. price competitiveness. The largest U.S. export decreases occurred in wheat, soybeans and cotton.

Agricultural imports in 1983 expanded 7 percent to \$16.5 billion. Imports of fish, sugar, and fruits and vegetables recorded large increases, although coffee imports declined. Contributing

to import increases were U.S. economic recovery, severe U.S. drought, and the high dollar exchange rate, which made imports more price competitive.

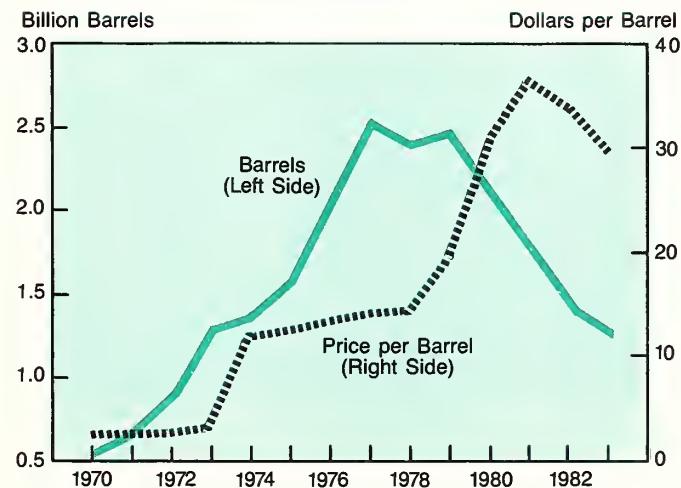
ENERGY PRODUCTS

The large U.S. trade deficit in mineral fuels and related products has steadily decreased since its 1980-81 peak, dropping in 1983 by \$4.3 billion to \$50.7 billion.

The improvement in the U.S. energy deficit was mainly due both to a reduced volume of crude oil imports and lower import prices. (See Figure 3.6.) Between 1981 and 1983, crude oil import volume dropped by 27 percent and prices decreased by 19 percent.

In recent years, with sharp import volume and price increases, petroleum and related products have accounted for a large share of total U.S. imports. Petroleum dropped sharply however, from a peak share of 34.7 percent at the beginning of

Figure 3.6
CRUDE OIL IMPORTS, VOLUME & PRICES
1970-1983



1980 to a low of 18.8 percent at the beginning of 1983. The 1983 trade balance gain from reduced oil imports was offset by decreased U.S. exports of mineral fuels and related products. The decrease was a near one-third reduction in coal exports, amounting to \$2.0 billion.

and the corresponding polyesters were synthesized and characterized. The results are presented in the following sections.

It is interesting to note that the polyesters of 1,4-phenylene terephthalic anhydride have been reported by several groups.

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Chapter IV.—REGIONAL TRADE DEVELOPMENTS

New developments in U.S. trade with five key countries and country groups were largely responsible for the worsening U.S. trade position in 1983.

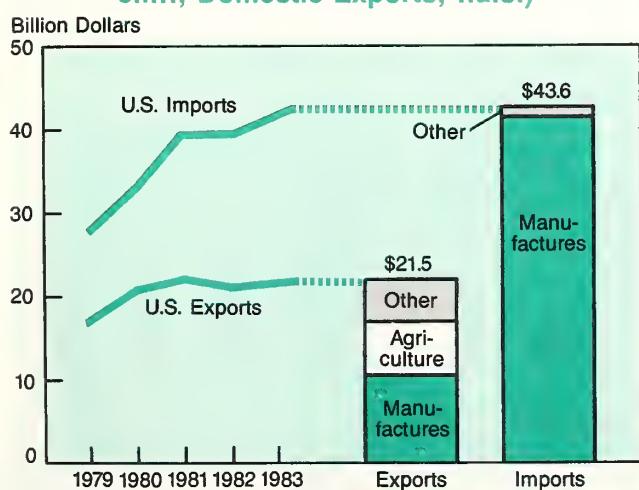
Unlike much of the decade of the 1970s, the increasing U.S. trade deficits in 1982 and 1983 were not caused by growing deficits with oil exporting countries. Instead, the further deterioration in the trade balance was almost wholly due to a \$27 billion increase in the U.S. deficit with non-OPEC countries. The U.S.-OPEC deficit peaked at \$40.7 billion in 1980, but by 1983 it had shrunk to nearly one-fourth the 1980 size.

U.S.-JAPAN TRADE

Japan is second only to Canada in importance as a U.S. trading partner. Under a multilateral trading system, bilateral trade is not necessarily expected to be in balance. The deficit with Japan, however, has been extremely large, with U.S. imports from Japan twice the size of U.S. exports to Japan. The impact on the overall U.S. trade position of this extreme disparity has drawn much attention. Furthermore, the deficit with Japan in manufactured goods is much larger than the overall bilateral deficit, as imports from Japan are almost wholly manufactures, unlike U.S. exports to Japan. (See Figure 4.1.)

Figure 4.1

U.S. – JAPAN TRADE, 1979–1983
(Imports for Consumption,
c.i.f.; Domestic Exports, f.a.s.)

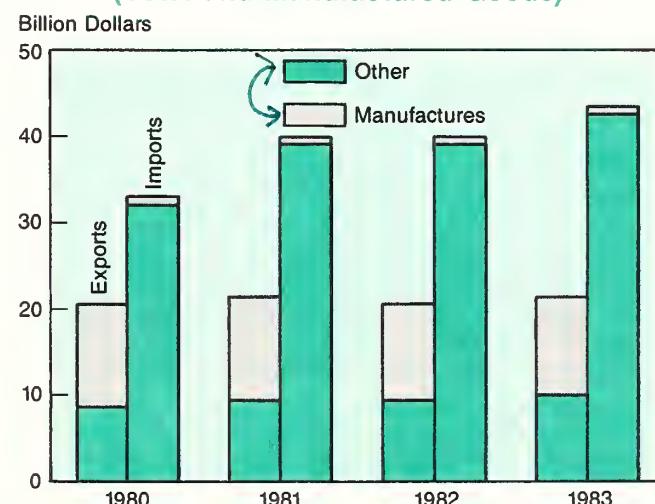


For most of the past 10 years—except 1979 and 1980—Japan has enjoyed a trade surplus with the world. Surpluses of \$8.7 and \$6.8 billion were achieved in 1981 and 1982, and the surplus jumped to \$20.6 billion in 1983.

Japan's trade with the world is very unbalanced. Virtually all of Japan's exports to the world are manufactures. In contrast, only 22 percent of its total imports are manufactures. The United States, however, does supply a large share (46 percent) of Japan's imports of manufactures.

The U.S. trade deficit with Japan has reached record levels in recent years, far greater than with any other trading partner. In 1983 the deficit grew by \$2.9 billion, reaching a total of \$22.1 billion (consumption imports, c.i.f.; domestic exports, f.a.s.). (See Figure 4.2.) U.S. exports to Japan in 1983 of \$21.5 billion were only about one-half as large as U.S. imports from Japan of \$43.6 billion. The resulting imbalance is one-third of the total 1983 U.S. trade deficit.

Figure 4.2
U.S. TRADE WITH JAPAN, 1980–1983
(Total and Manufactured Goods)



The \$32.6 billion U.S. deficit in manufactures trade with Japan in 1983 was almost as large as the total U.S. manufactures trade deficit with all countries. The product composition of U.S.-Japan trade is very asymmetrical. Virtually all U.S. imports from Japan are manufactures, while U.S. sales to Japan are disproportionately low in manufactures and high in raw materials and agricultural goods. The relatively small share of manufactured goods in U.S. exports to Japan contrasts with the composition of U.S. sales elsewhere.

Japan is the dominant foreign supplier of a number of U.S. imports. For example, in 1983 Japan supplied almost one-half of U.S. imports of office and ADP equipment and parts. Japan has demonstrated a competitive advantage over other suppliers of telecommunications and sound reproduction & recording equipment and parts, supplying

one-half of the total imports of both groups. Japan also supplied 87 percent of the imported sound and video recorders, 46 percent of the autos (in value terms), and 94 percent of the motorcycles.

One-fourth of U.S. imports from Japan are automobiles. (See Table 4.1.) Japan is an even more important U.S. supplier of electric and non-electric machinery and parts, including electronic equipment and components. Japan also is a major supplier of chemicals and textiles.

Large increases occurred in U.S. imports in 1983 in a wide range of Japanese machinery and electronic products and in the value of autos. These import increases were partly offset by large import decreases of several other products, such as iron and steel tubes and fittings, machine tools, and motorcycles.

Table 4.1—U.S.-Japan Trade in Selected Commodities
(Values in millions of dollars)

	1982	1983	1982-83 Change	
			Value	Percent
U.S. Imports, Total				
(general, c.i.f.)	\$39,931	\$43,559	\$+3,628	+9.1
Manufactures, total	39,096	42,691	+3,595	+9.2
Chemicals	937	1,172	+235	+25.1
Iron & steel products total ..	3,875	2,127	-1,748	-45.1
Plates & sheets	831	1,103	+272	+32.7
Tubes, pipes & fittings	2,410	462	-1,948	-80.8
Machinery & parts, total	12,785	15,924	+3,139	+24.6
Metal working machines & machine tools	768	641	-127	-16.5
Office & ADP equip. & parts	2,176	3,389	+1,213	+55.7
Telecommunication, sound & recording equip.	4,818	5,856	+1,038	+21.5
Automobiles	9,834	10,963	+1,129	+11.5
Motorcycles	1,125	785	-340	-30.2
U.S. Exports, Total				
(domestic, f.a.s.).....	20,665	21,520	+855	+4.1
Food & live animals, total ...	3,944	4,294	+350	+8.9
Corn	1,290	1,764	+474	+36.7
Crude materials, total	4,054	4,185	+131	+3.2
Soybeans	971	1,210	+239	+24.6
Logs & lumber	1,045	900	-145	-13.9
Mineral fuels & lubricants, total	2,440	1,994	-446	-18.3
Coal	1,526	1,002	-524	-34.3
Manufactures, total	9,350	10,128	+778	+8.3
Chemicals	2,530	2,607	+77	+3.0
Office & ADP equip. & parts	838	905	+67	+8.0
Commercial aircraft	420	835	+415	+98.8

The growth in the number of Japanese automobiles imported by the United States was virtually

stabilized during 1981-83 by the Japanese voluntary export quotas (VEQ). The VEQ restricted increases in the number of Japanese auto exports; however, this restraint did not blunt the impact of these imports on the U.S. deficit. Although the number of imported Japanese autos rose in 1983 by only 4.6 percent, import price increases increased their total import value by 12.3 percent. The unit-value increase partly reflects a composition shift toward larger autos and more extra features. Imports of Japanese autos will continue to grow in 1984 due to the 10 percent increase in the VEQ by Japan for the Japanese fiscal year 1984 (beginning April 1984). At 1983 prices, that increase amounts to about \$1.1 billion, or 2.5 percent of total U.S. imports from Japan in 1983.

Western Europe

Western Europe is a vital market for U.S. exports, taking over one-fourth of the total. The U.S. trade balance with this region has been deteriorating for the past three years, particularly in trade with the EEC-7 (the largest EEC trading countries). The U.S. trade balance with the EEC-7 has slipped from a 1980 surplus of \$14.3 billion to a deficit of \$3.0 billion in 1983. (See Figure 4.3.) The U.S. shift from surplus to deficit with the EEC-7 in 1983 was caused by a 7 percent decrease in U.S. exports and by a 3 percent increase in U.S. imports. (See Figure 4.4.)

Contributing to these opposite movements in exports and imports in 1983 was the EEC's slower economic recovery from the recession, lagging that in the United States.

Figure 4.3
U.S. – EEC-7 TRADE BALANCE, 1977–1983 (Total, High Tech, and Non-High Tech)

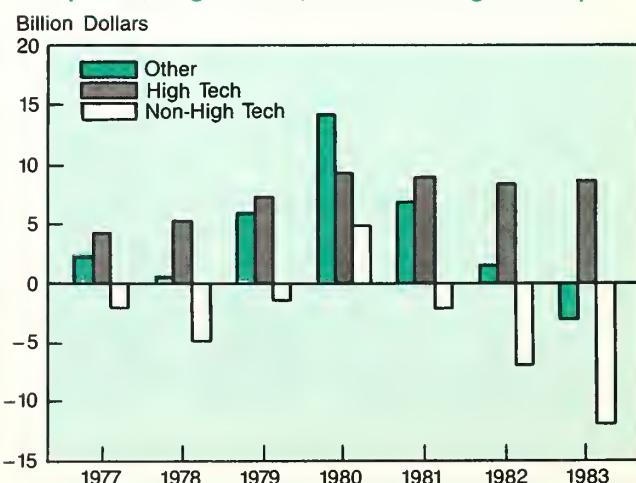
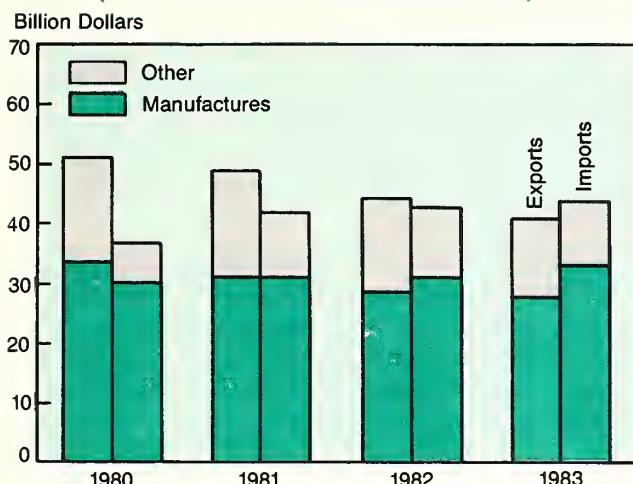


Figure 4.4

U.S. TRADE WITH EEC-7, 1980-1983 (Total and Manufactured Goods)



U.S. exports of high tech goods have been a major positive component in U.S. trade balance with Western Europe. The EEC-7 takes over one-fourth of all U.S. high tech exports. High tech goods account for over one-half of all U.S. manufactures shipped to the EEC-7, but only one-fifth of U.S. manufactures imports from them. In 1983 the U.S. surplus in high tech trade with the EEC-7 was \$8.8 billion, compared with a deficit of \$11.8 billion in all other goods.

The largest increase in U.S. imports from the EEC-7 occurred between 1980 and 1982, mainly in fuels, petroleum oils and refined products, which rose by \$4.2 billion. Major import increases between 1982 and 1983 included a nearly one billion dollar increase in silver and platinum (rising over 400 percent). (See Table 4.2.) Partly offsetting these U.S. import increases were steady decreases in imports of metalworking machine tools and internal combustion engines—both dropping by one-half between 1980 and 1983.

In 1983, the largest declines in U.S. exports to the EEC-7 were in agricultural, petroleum products and bituminous coal. Coal exports dropped dramatically by nearly one billion dollars. Coal was a boom-and-bust export experience, rising between 1980 and 1982 and then declining in 1983.

In recent years, European economic conditions have been dominated by the two problems—high unemployment and risk of higher inflation. In 1983, EEC unemployment among workers under 30 years old was at 25 percent, with overall unemployment at 10.5 percent. Inflation remained high into 1982 for most of the major countries. The real GNP of Western Europe grew by an average of 0.6 percent in 1982 and by 1 percent in 1983.

Table 4.2—U.S.-EEC-7 Trade in Selected Commodities
(Millions of dollars)

Exports/Imports	1982	1983	Change
U.S. Exports, Total (domestic, f.a.s.)			
Coal, lignite.....	\$44,312	\$40,925	-\$3,387
Oil seeds	1,982	1,110	-872
Petroleum products, refined	2,920	2,217	-703
Civil engineering & contractors equip.	1,127	651	-476
Parts & accessories for office and ADP machines & equip	863	615	-248
ADP machines & equip.....	1,875	2,231	+356
Aircraft & equipment	2,236	2,541	+305
Animal feedstuff	2,300	2,548	+248
U.S. Imports, Total (customs, f.a.s. value)			
Silver and platinum	40,806	42,027	+1,221
Passenger cars	290	1,104	+1,394
Petroleum products, refined	4,024	4,408	+384
Motor vehicle parts & accessories, except engines	1,241	1,541	+300
Crude petroleum	844	1,080	+236
Aircraft & equipment	5,266	3,932	-1,334
Internal combustion engines	1,251	997	-254

This slow European growth partly reflects the stringent government measures to reduce inflation rates. Improved U.S. exports to that region depend on faster European economic growth.

In times of world recession, the U.S. market is often seen as a potential engine of economic growth for foreign economies and as a source of growing external demand for their output. The 2.8 percent growth in U.S. imports from the EEC-7 in 1983, however, was only a modest stimulant at best to the growth of the EEC-7 economies.

LATIN AMERICA

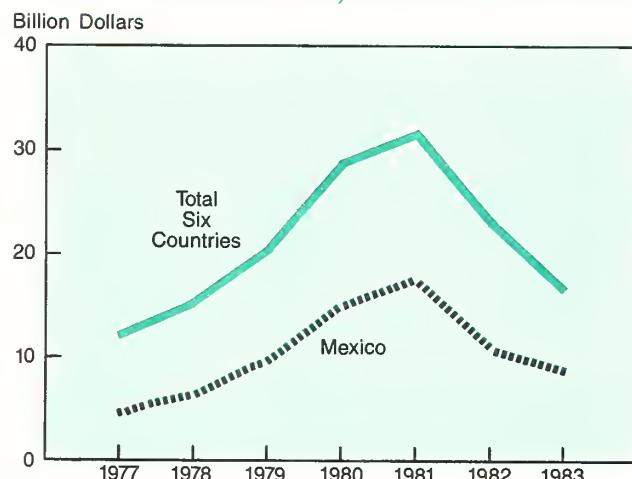
The United States traditionally accounts for one-third of the imports and exports of the Latin American countries. Latin America's share of U.S. trade is much less, but is still important to the United States. In 1980 Latin America received 12 percent of total U.S. exports and 14 percent of U.S. manufactures exports.

Latin America has been a substantial contributor to the growth in the U.S. trade deficit. Since 1980 the overall U.S. trade balance with LAFTA (excluding Ecuador and Venezuela) has shifted from a \$5.0 billion surplus to a \$11.9 billion defi-

cit (excluding special category exports). U.S. exports to Venezuela and Ecuador have also decreased since 1980, partly as a result of their reduced oil revenues. These two countries, however, are discussed in this report under the U.S. trade with OPEC. U.S. exports to the rest of Latin America, mainly the Latin American Free Trade Area (LAFTA) countries, fell largely because of their international debt and trade financing problems. (See Figure 4.5.) Reduced import levels will likely be characteristic of most LAFTA countries for the next several years while they struggle to control their debts through reduced imports and export expansion efforts.

Figure 4.5

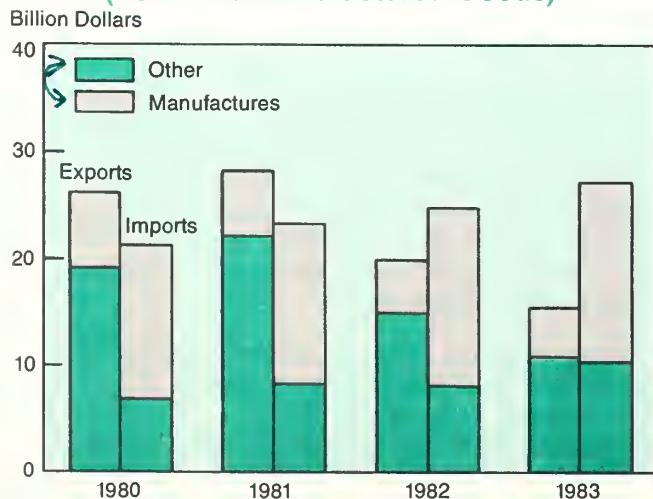
U.S. EXPORTS TO SIX LATIN AMERICAN COUNTRIES*, 1977-1983



*Argentina, Brazil, Chile, Mexico, Venezuela, and Peru.

Figure 4.6

U.S. TRADE WITH LAFTA, 1980-1983 (Total and Manufactured Goods)



The deterioration in the overall U.S. balance since 1981 was the result of a rapid shrinking in the U.S. export surplus in manufactures. In trade with LAFTA, the United States has traditionally been a large net exporter of manufactures and a substantial net importer of agricultural goods, crude materials, and fuels. In 1983, this trade complementarity disappeared as the U.S. export surplus in manufactures declined to virtually zero. (See Figure 4.6.)

The surplus in U. S. manufactures trade with LAFTA dropped from \$13.8 billion in 1981 to \$0.5 billion in 1983, primarily due to the more than 50 percent reduction in U.S. manufactures exports and to some growth in imports of manufactures in 1983. (See Table 4.3.)

Table 4.3—U.S.-LAFTA Trade Balances¹ (Billions of dollars)

Year	Total	Manufactures	Non-Manufactures
1980	\$5.0	\$13.0	\$-8.0
1981	5.2	13.8	-8.7
1982	-4.8	7.0	-11.8
1983	-11.9	0.5	-12.4

¹ Except Ecuador and Venezuela.

Between 1981 and 1983, total U.S. exports to LAFTA were cut in half, a loss of \$13.1 billion in U.S. shipments. Almost all of this loss was in manufactures sales. Mexico accounted for two-thirds of the total 1982-83 reduction in exports to LAFTA, a two-year drop of \$8.6 billion. Decreases in exports to other LAFTA countries were smaller, but were proportionately large in terms of U.S. exports to them. In 1982-83, U.S. exports to Brazil and Argentina fell by \$1.2 billion.

U.S. imports from LAFTA continued to grow throughout the 1982-83 period of Latin American debt repayment reschedulings. Three-fourths of the growth in U.S. imports from LAFTA was in Mexican products. Mexico also accounted for an equally large proportion of the overall deterioration in the U.S.-LAFTA trade balance.

Key commodities contributing to the decline in U.S. exports between 1982 and 1983 included bodies & chassis for motor vehicles, civil engineering and construction equipment, instruments, and refined petroleum. (See Table 4.4.)

Key commodities contributing to the 1982-83 U.S. import growth were refined petroleum prod-

Table 4.4—U.S.-LAFTA Trade (excluding Venezuela and Ecuador) in Selected Commodities
(Millions of dollars)

Exports/Imports	1982	1983	Change
U.S. Exports, Total			
(domestic, f.a.s.)	\$19,996	\$15,250	\$-4,746
Corn	127	766	+639
Cereals, unmilled, NSPF	197	469	+272
Petroleum products, refined	86	205	-781
Civil engineering & contractors' equip.....	955	476	-479
Bodies & chassis for motor vehicles	1,091	683	-408
Measuring, checking & analysis instruments	414	288	-126
U.S. Imports, Total			
(customs value, f.a.s.)	23,913	26,212	+2,299
Crude oil	8,140	7,743	-397
Petroleum products, refined	1,153	1,649	+496
Internal combustion piston engines	450	756	+306
Silver and platinum	313	544	+231
Copper	423	647	+224
Radio receivers	91	284	+193
Iron & steel plates & sheets	23	310	+187
Footwear	420	579	+159

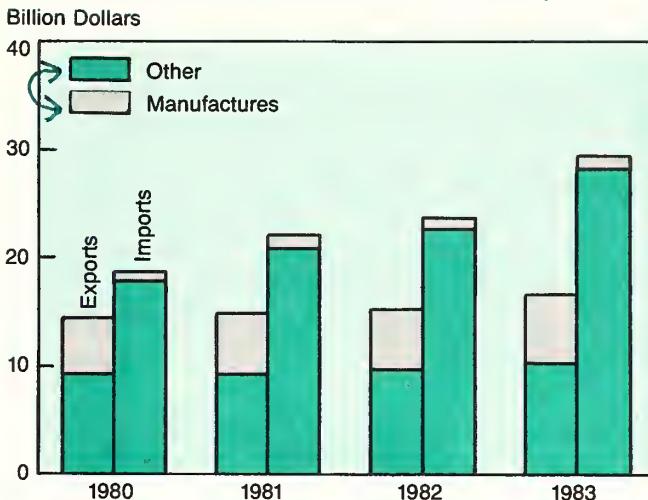
ucts, internal combustion engines, copper, silver and platinum, footwear, iron and steel plates and sheets, and radio receivers.

EAST ASIAN NICs

Four East Asian newly industrializing countries—Hong Kong, Republic of Korea, Singapore, and Taiwan—accounted for nearly one-fifth of the worsening in the U.S. trade deficit in 1983. The \$4.5 billion growth in the U.S. deficit with them was wholly produced by a 24 percent rise in U.S. imports. (See Figure 4.7.) They were, however, among the few trading partners to increase purchases of U.S. goods. That increase in U.S. exports to them was less than one-fourth the increase in U.S. imports from them.

U.S. imports from the East Asian NICs grew by \$5.8 billion in 1983, accounting for one-third of the total U.S. import increase. This rise in U.S. imports was more than 50 percent greater than the growth of U.S. imports from Japan. The underlying strength of the increase in NIC sales to the United States is even more apparent when compared with Japanese exports, excluding autos. Imports of non-automotive manufactures from the East Asian NICs rose in 1983 by over three times the amount of the increase from Japan.

Figure 4.7
U.S. TRADE WITH EAST ASIA NICs, 1980–1983
(Total and Manufactured Goods)



In 1983, the U.S. trade balance with all four of the NICs worsened. Nearly one-half of that deterioration in the balance was accounted for by trade with Taiwan, as nearly one-half of the increase in the imports was Taiwanese products. The deficit with Taiwan in 1983 reached a record \$7.4 billion. U.S. trade with South Korea had been relatively well balanced until it shifted into deficit in 1983. Balances with Hong Kong and Taiwan have been in substantial deficit for several years, while the balance with Singapore has been in substantial surplus. (See Table 4.5.)

Table 4.5—U.S.-East Asian NIC Total Trade
(Millions of dollars)

Country	Exports	Imports	Balance
Taiwan	\$4,667	\$12,110	\$-7,443
Hong Kong	2,564	6,825	-4,261
South Korea.....	5,925	7,657	-1,732
Singapore	3,759	2,969	+790

Virtually all of the growth in imports from these four East Asian NICs was in manufactures. Compared with U.S. imports from all other countries, a disproportionately high share of the import increase from these NICs was in high tech products. Moreover, while high tech goods accounted in 1983 for only one-fifth of the total U.S. imports from these countries, between 1980 and 1983 these countries accounted for one-fourth of the total growth in U.S. high tech imports. This rising trend is likely to continue as high tech imports from these NICs accelerated each quarter throughout 1983.

The relative U.S. import dependence on the East Asian NICs for high tech goods is large and growing. U.S. imports of these high tech goods from them in 1983 were 2.3 times greater than from Canada.

Large 1983 increases occurred in most major goods imported from the East Asian NICs, particularly in the electronics parts and products, footwear, and textiles. Key increases in U.S. exports to the NICs were in corn, parts and accessories for office and ADP machines, and aircraft and equipment. (See Table 4.6.) U.S. exports decreased notably in civil engineering and contractors equipment, and cotton.

Table 4.6—U.S.-East Asian NICs Trade—Selected Commodities
(Millions of dollars)

Exports/Imports	1982	1983	Change
U.S. Imports, Total (customs value, f.a.s.)			
Parts & accessories of office & ADP machines	494	1,272	+778
Telecommunications equipment	1,007	1,579	+572
Footwear	1,729	2,103	+374
Outer garments, womens' & girls'	1,470	1,787	+317
Ships, boats & floating structures	86	313	+227
Television receivers	445	669	+224
ADP machines	51	274	+223
U.S. Exports, Total (domestic, f.a.s.)			
Corn	572	991	+419
Parts & accessories of office & ADP machines	367	706	+339
Aircraft & equipment	831	1,069	+238
Civil engineering & contractors' equipment	688	376	-312
Cotton	716	533	-183

Both imports and exports in U.S. 1983 trade with the NICs reflected rapidly rising volumes of parts and accessories for office and ADP machines. U.S. exports of these items to the NICs rose by 73 percent and imports by 157 percent. The data suggest that a major share of this trade consists of U.S. exports of partly completed electronic materials and components that are further processed or completed in these countries and then shipped back to the United States for assembly into finished U.S. products. The largest two-way trade in these components appears to be with Singapore, followed by Hong Kong. (See Table 4.7.)

Table 4.7—U.S. Trade in Parts & Accessories of Office & ADP Machines, 1983
(Millions of dollars)

Country	Exports	Imports ¹
East Asian NICs, total	\$706	\$1,272
Singapore	269	621
Hong Kong	249	430
Taiwan	98	157
Republic of Korea	89	63

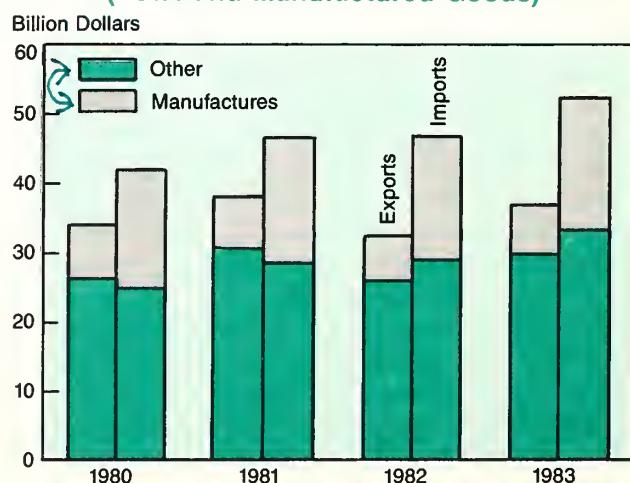
¹ Customs value (f.a.s.)

CANADA

In recent years, U.S. trade with Canada has been in large deficit, rising from -\$7.9 billion in 1980 to -\$15.6 billion in 1983. These U.S. deficits have been the principal source of Canada's large trade surpluses with the world. Canada's trade surplus reached \$13.4 billion in 1982 and was nearly as large in 1983.

Canada was our most important trading partner, in 1983, taking 18.6 percent of U.S. exports and supplying 19.5 percent of U.S. imports. Canada was also one of the few trading partners to which U.S. exports increased in 1983. These increased U.S. exports were exceeded by the even larger 1983 increase in U.S. imports from Canada, causing the already large U.S.-Canadian deficit to grow by \$1.3 billion. In 1983, the U.S. deficit with Canada equaled more than two-thirds the U.S. deficit with Japan. (See Figure 4.8.)

Figure 4.8
U.S. TRADE WITH CANADA, 1980-1983
(Total and Manufactured Goods)



U.S. imports from Canada in 1983 rose by 12 percent to a record \$52.5 billion. Exports to Canada also grew by about 14 percent, but remained below their 1981 peak, reaching only \$36.9 bil-

lion. Exports to Canada benefitted directly from the Canadian economic recovery, which closely paralleled the U.S. recovery and stimulated Canadian demand for U.S. products. U.S. sales to Canada in 1983 grew at a substantially higher rate than the Canadian economy.

About four-fifths of U.S. exports and nearly two-thirds of U.S. imports are manufactures. Only a very small share of goods moving in either direction, however, are high tech manufactures—17 percent of U.S. exports and 7 percent of the imports in 1983. Nearly one-half of the U.S.-Canadian manufactures trade is in automotive products. In 1983 both exports and imports of automotive products grew by roughly one-third, and accounted for two-thirds of the growth in total exports and imports.

Notwithstanding the dominant share of U.S.-Canadian trade accounted for by manufactures, the U.S. deficit in trade with Canada is mainly in non-manufactured goods, with a deficit of \$12.2 billion out of a total deficit of \$15.6 billion in 1983. This larger imbalance in non-manufactures is mainly accounted for by the proportionately much larger share of raw materials in U.S. imports from Canada. In addition to automotive products, key U.S. import growth commodities were wood, crude petroleum and petroleum products, and aluminum. (See Table 4.8.)

OPEC

Since 1980, the U.S. deficit with OPEC has shrunk dramatically. In 1980, the U.S. deficit with OPEC of \$40.7 billion exceeded the total U.S. deficit, but by 1983 it had declined to \$9.6 billion. (See Figure 4.9.) Major shares of the overall U.S. trade deficits during 1980-83 have been

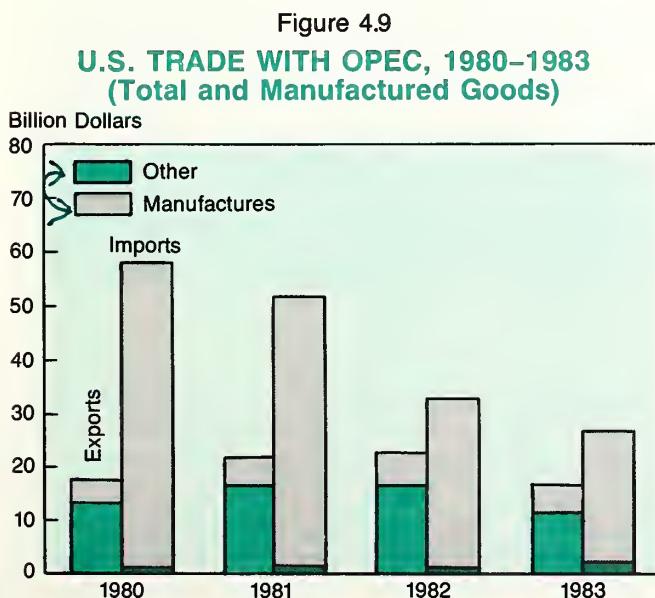
Table 4.8—U.S.-Canadian Trade in Selected Commodities
(Millions of dollars)

Exports/Imports	1982	1983	Change
U.S. Exports, Total			
(domestic, f.a.s.).....	<u>\$32,502</u>	<u>\$36,917</u>	<u>\$+4,415</u>
Passenger cars	2,343	3,856	+1,513
Gold bullion, non-monetary	360	818	+458
Motor vehicles parts	2,228	2,662	+434
Chemicals	2,183	2,546	+363
Special category shipments	88	374	+286
Electrical machines NSPF & parts	1,490	1,741	+251
Engines & other power generating equip.....	2,095	2,321	+226
Office machinery & computers	1,375	1,560	+185
Trucks & buses	465	635	+170
Mineral fuels.....	1,927	1,692	-235
U.S. Imports, Total			
(general, c.i.f.)	<u>46,792</u>	<u>52,546</u>	<u>+5,754</u>
Passenger cars	5,788	7,264	+1,476
Motor vehicle parts	2,562	3,836	+1,274
Wood	1,699	2,681	+982
Petroleum & products.....	3,228	4,072	+844
Engines & power generating equip.....	1,272	1,604	+332
Aluminum	592	851	+259
Natural gas	4,831	4,291	-540

accounted for by trade with the oil exporting countries. The OPEC share of the total U.S. deficit has been rapidly decreasing; however, as the U.S. deficit with OPEC has narrowed while the U.S. deficits with other nations have grown rapidly.

Declines in both the volume and price of imported petroleum and related products account for the reduction in the U.S.-OPEC deficit. The 1983 deficit reduction was almost wholly in trade with Saudi Arabia. The trade surplus with Saudi Arabia improved from \$0.9 billion in 1982 to \$4.0 billion in 1983. The deficit with the other OPEC countries worsened by \$2.4 billion, as a result of a one-third decrease in U.S. exports. This reduction in U.S. exports reflects among other factors the general loss of U.S. export price competitiveness and the restrictive impact on OPEC purchasing power produced by shrinking oil revenues.

Most of the decrease in U.S. exports between 1982 and 1983 was accounted for by a one-third decrease in U.S. exports of machinery and transport equipment, a loss of \$3.9 billion in sales. This decrease included a nearly half billion dollar drop in aircraft and equipment and a three-quarter billion dollar loss in sales of civil engineering and construction equipment. (See Table 4.9.) Other



large decreases occurred in truck and bus bodies and chassis, heating and cooling equipment, passenger cars, and iron and steel tubes, pipes and fittings.

*Table 4.9—U.S. Exports to OPEC in Selected Commodities
(Millions of dollars)*

Exports	1982	1983	Change
Total Exports (domestic, f.a.s.).....	<u>\$22,430</u>	<u>\$16,946</u>	<u>\$-5,484</u>
Wheat	717	932	+215
Civil engineering & construction equip.	1,605	838	-767
Aircraft & equipment	1,314	859	-455
Trucks & special purpose vehicles	824	423	-401
Passenger cars	491	256	-235
Bodies & chassis for trucks and buses	763	534	-229
Iron & steel tubes, pipes & fittings	410	185	-225
Heating & cooling equip.....	646	443	-203

Chapter V.—CAUSES OF THE DEFICITS

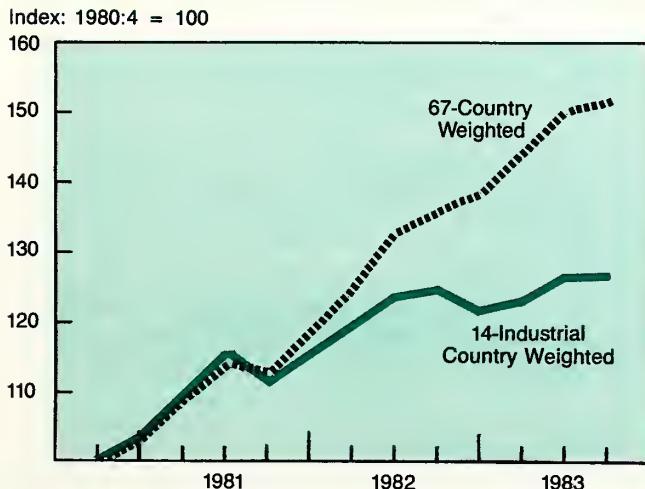
During the last several years, both short-run factors and underlying structural determinants have combined to produce the growing longer-run deterioration of U.S. merchandise trade performance. A key factor has been the major loss of price competitiveness of U.S. industries both in our home market and in sales abroad from U.S. dollar appreciation. Other factors have worsened these effects. The recession-induced stagnation of import demand in our foreign markets restricted demand for U.S. exports while strong U.S. economic recovery in 1983 stimulated U.S. import demand. U.S. export demand was particularly hard hit by the import cuts by our key Latin American trading partners needed to deal with their debt servicing problems.

U.S. DOLLAR APPRECIATION

The U.S. dollar appreciated to an unusually high exchange rate between 1980 and its peak at the end of 1983. (See Figure 5.1.) During this period the dollar appreciated an average 26 percent against the currencies of the 13 other industrial countries and by 52 percent against those of 67 countries (weighted by total U.S. trade with those countries).

Figure 5.1

U.S. DOLLAR EXCHANGE RATE APPRECIATION, QUARTERLY, 1980-1983



The effects of this appreciation are complex. Some effects are virtually immediate, some lag a year or more and some are long-term effects that can influence shifts in the location and size of industries. Briefly, the key effects are: (1) values of imports tend to reflect immediately some of their lower foreign cost, (2) quantities of exports

and imports over perhaps two years increasingly shift in response to altered price competitiveness, and (3) long-term shifts take place in the international location of industries in response to export losses and import gains.

The exact cumulative direct and lagged effects of appreciation of the U.S. dollar between 1980 and the end of 1983 on U.S. price competitiveness cannot be precisely estimated. The impacts for individual markets and products vary due to differences in the amount and timing of changes in the exchange rates between the dollar and each foreign currency and the extent those changes were passed through or absorbed by exporters and importers. Nevertheless, by 1983 most of the dollar's appreciation since 1980 was probably passed through as disadvantageous foreign-currency price increases charged for U.S. exports. In contrast, the dollars' appreciation was probably reflected only to a small extent as reduced U.S. dollar import prices.

After accounting for domestic price inflation, the Council of Economic Advisors estimates that each one percent real appreciation of the U.S. dollar results roughly in a \$2 billion increase in the U.S. trade deficit. This and other estimates suggest that the dollars' 1980-83 appreciation can explain possibly one-half of the total 1983 U.S. trade deficit.

Competitiveness depends not just on exchange rate changes but also on changes in national home-currency prices. The so-called real effective exchange rate combines these two factors. After adjusting for relative changes in U.S. and foreign producers' prices, the effective average appreciation of the U.S. dollar from 1980 to 1983 against the 10 industrial countries' currencies was 43 percent. (See Figure 5.2.) Effective appreciation against the currency of the Fed. Rep. of Germany was 37 percent and against Japan was 17 percent. There was no effective appreciation for Canada. The effective rate against the Japanese yen increased far more—28 percent—if 1978 is used as the base year.

CYCLICAL FACTORS

Business cycles in the United States and abroad have also played a major role in generating our record 1983 deficit. Both the United States and its industrial trading partners entered recessions at about the same time in 1981. (See Figure 5.3.) The U.S. recession was deeper, but the U.S. recovery was swifter.

Figure 5.2
U.S. REAL EFFECTIVE EXCHANGE RATE, 1973-1983

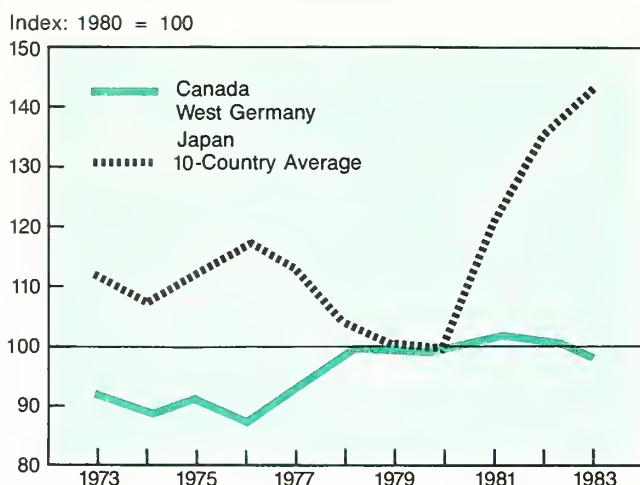
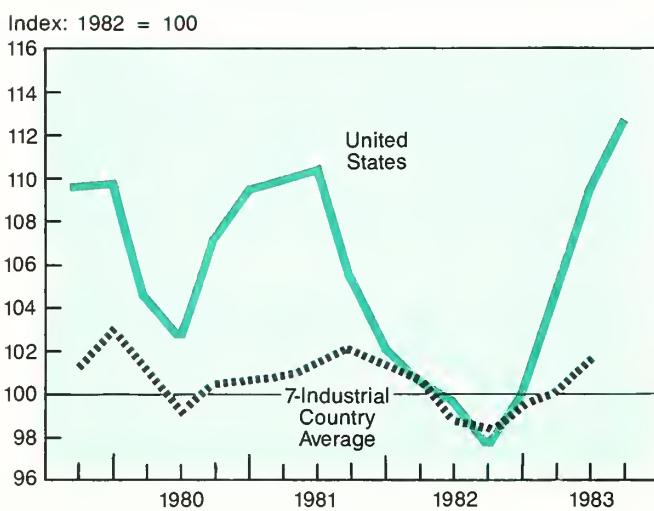


Figure 5.3
INDUSTRIAL PRODUCTION, QUARTERLY, 1980-83



In 1981 and 1982 a decline and stagnation in foreign economic activity contributed to a large drop in U.S. exports of manufactures, with the effects most evident in our trade with Europe. U.S. non-oil imports (especially manufactures) did not decrease during the U.S. recession, however, but held relatively constant. This asymmetry led to an increased U.S. deficit in manufactures trade in 1981 and 1982.

Recessions in the industrial nations also had an adverse indirect affect on U.S. trade with the developing countries. LDCs dependent upon sales to developed nations found their export markets contracting and their market prices falling. The result-

ing shrinkage in LDC export earnings reduced their capability to import.

In 1983 the sharp contrast between the U.S. economic recovery and continued recession or lackluster recovery in most foreign economies was a major factor in further increasing the U.S. trade deficit. Under these conditions, U.S. exports continued to stagnate, while imports rose even more rapidly than the growth in U.S. domestic demand.

Foreign Economic Stagnation

While the recession in Europe was not generally as deep as in the United States, European economic recovery in 1983 was generally much slower or did not occur at all. Between the U.S. recession bottom in 1982 and the end of the third quarter of 1983, U.S. industrial production rose by 10 percent. In contrast, industrial production of the seven major industrial countries rose an average of only 3 percent.

The economic recovery of most other U.S. markets, particularly the developing countries, was also much weaker than in the major industrial countries. Economic stagnation in the developing countries was a significant contributor to the decrease in U.S. exports in 1983 because of their large 39 percent share in U.S. exports. The sharp decline in world oil demand and continuing decrease in petroleum prices also cut the effective import demand of OPEC countries in 1982 and 1983.

The ability of oil importing countries to buy U.S. exports was also reduced by the appreciation of the dollar. Conventionally, OPEC oil is priced in U.S. dollars. The appreciation of the dollar has produced a corresponding rise in the national currency cost of oil to oil importing countries. Some, but not all of this price rise in national currencies was offset by a falling world dollar price for oil. This oil cost increase stemming from the high dollar exchange rate has been particularly difficult to absorb by those countries already forced to impose import constraints by their international debt problems.

U.S. Economic Recovery

The strong U.S. economic growth in 1983 was a major contributor to the rapid rise in U.S. imports. If historical patterns had prevailed, the U.S. recession in 1981 and 1982 would have reduced U.S. imports. This traditional pattern was upset, however, by the appreciation of the U.S. dollar, which significantly improved the price competitiveness of imports. The U.S. dollar appreciation since 1980 about equally offset the foreign currency

price increases charged for U.S. imports. Thus, the rate of increase in imports since 1980 has been virtually the same in both volume and value terms, because import prices have remained relatively stable in U.S. dollar terms.

In 1983, if U.S. imports had only grown at the same rate as domestic demand, the U.S. trade deficit problem would not have been so severe, but imports expanded much more rapidly than domestic demand. The U.S. demand for imports in real terms rose by 10.0 percent in 1983, while U.S. GNP rose by only 3.4 percent. U.S. industrial production rose by 6.6 percent, about two-thirds the growth rate for imports.

The stability of imports during the recession and their strong growth in 1983 caused the ratio of imports to U.S. goods production to increase from 34.3 percent in 1980 to 39.5 percent in 1983.

LDC DEBT CRISES

In both 1982 and 1983, foreign-debt crises and economic recession in Latin America, combined with dollar appreciation, severely restricted their purchases of U.S. goods. During this same period their sales to the United States continued to rise. In 1982 and 1983, LDC debtor countries, as part of their adjustment process, drastically cut back imports to generate trade surpluses for repaying their international debts. To meet large, rapidly rising repayment obligations, and to pay for imports, they must expand export earnings.

Debt crises were a major factor in reducing U.S. sales in 1983 to at least six Latin American debtor countries—Mexico, Brazil, Venezuela, Argentina, Chile and Peru. Beginning in 1982, these countries were forced to undertake severe adjustments to meet international debt obligations. The combined 1982-83 loss in U.S. exports to them totalled nearly \$15 billion, equalling over one-half of the total drop in U.S. exports in 1982 and 1983. U.S. exports to Mexico alone (our 4th largest export market) dropped by \$8.6 billion in those two years.

In Mexico, for example, government action to sharply cut back imports, while maintaining exports, produced a \$6 billion trade surplus in 1982 and a \$13 billion surplus in 1983.

Decreased U.S. exports to several countries outside Latin America also reflect their actions to control their international debt problems. One of those countries—Nigeria—accounted for an over \$2 billion decrease in U.S. exports and a comparable negative contribution to the U.S. deficit between 1981 and 1983.

U.S. COMPETITIVENESS FACTORS

A number of other U.S. macroeconomic problems have been contributing to the loss of U.S. competitiveness. Already described in this report are the impacts of the appreciation of the dollar, as well as the restriction of foreign demand due to economic stagnation or slow recovery and due to the LDC debt crisis. U.S. competitiveness is also affected by factors such as our domestic savings rates, expenditures on R&D, capital investment, and productivity. Determining the separate contribution of these factors to the U.S. trade deficit probably is not possible, but they have significantly affected U.S. competitiveness in the U.S. and foreign markets.

Improved U.S. Domestic Factors

Manufactures imports accelerated in 1983 notwithstanding a number of improvements in the underlying, structural factors that would tend to improve U.S. industry's competitiveness. Because of the recession, U.S. industry began 1983 with considerable available capacity. Between the beginning of 1980 and the end of 1982, U.S. industrial capacity usage dropped by 8 percent. For many industries the drop was even greater.

A record surplus of labor was also available, with U.S. unemployment running at 10.6 percent at the end of 1982. Moreover, the efficiency of U.S. industry was substantially higher in 1983 than in 1982, and wage growth slowed to a record low rate.

Productivity in the United States (in terms of output per worker) had improved only slowly for a number of years, lagging considerably behind that of a number of our major competitors. U.S. manufacturing productivity growth from 1970 to 1982 averaged only 2.5 percent. With the U.S. economic recovery, manufacturing productivity spurted ahead in 1983, reaching a rate of 6.7 percent for the year as a whole.

Effective Wage Gap

The changes in U.S. domestic structural factors have been insufficient to prevent the growth of U.S. imports. A key U.S. disadvantage that has not been significantly offset is the gap between U.S. and foreign wage levels, and particularly those in the East Asian NICs, Latin America and Japan. The dollar's appreciation and foreign national improvements in real productivity have combined to lower substantially foreign unit labor costs relative to those in the United States.

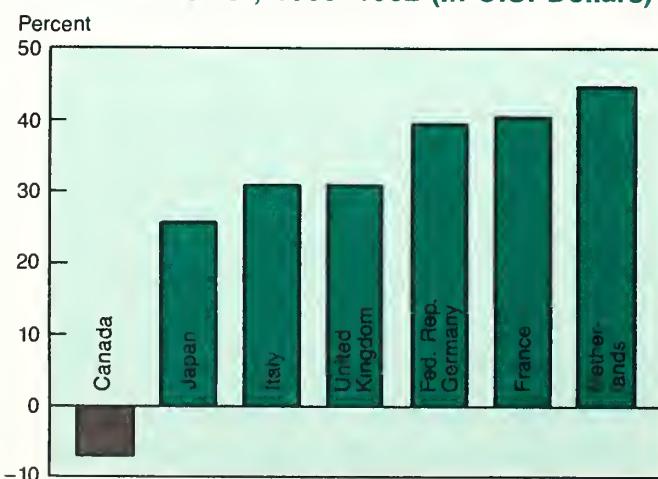
The manufacturing wage level in Japan at current exchange rates remains roughly one-half that

in the United States. Those in East Asian NICs and Latin America are much lower. Furthermore, productivity in Japan since 1970 has been growing much more rapidly than in the United States. With the rapid growth in new manufacturing capacity in the developing countries, their productivity also can be expected to rise rapidly.

Between 1980 and 1982, U.S. worker compensation rates in manufacturing grew only moderately, but the appreciation of the dollar dramatically increased the U.S. compensation rates relative to those of most other major nations in U.S. dollar terms. The U.S. rate increased by 24 to 44 percent relative to those in the EEC nations and by 20 percent compared to Japan, but decreased relative to Canada by 2 percent. As a result, in 1982, in current U.S. dollars, EEC worker compensation rates in manufacturing ranged from 62 to 85 percent of the U.S. rate, Japan's was at 47 percent, and Canada's at 86 percent. Although foreign local currency wage costs are not yet available for 1983, the U.S. cost disadvantage probably worsened further in 1983 due to the continued appreciation of the U.S. dollar.

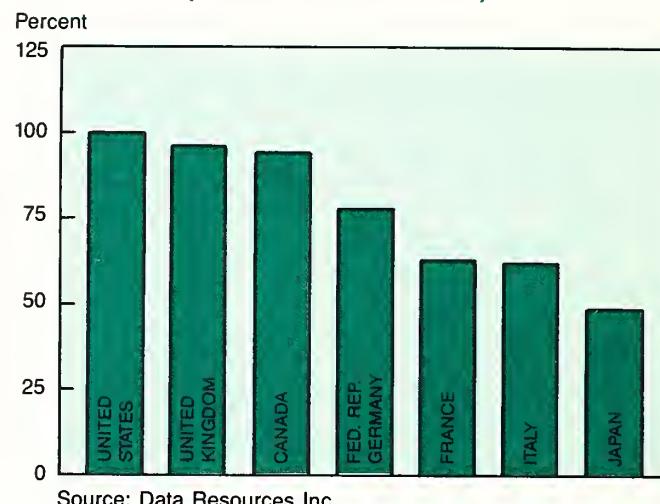
Between 1980 and 1982, our major competitors' generally greater productivity improvement, combined with the effect of U.S. dollar appreciation on relative worker compensation rates, distinctly improved their cost advantage in competition with U.S. manufactured products. Between 1980 and 1982, the U.S. manufacturing unit labor cost, in U.S. dollar terms, increased relative to the costs in the EEC nations by 31 to 45 percent and to those in Japan by 26 percent, but decreased relative to Canadian costs by 7 percent. (See Figure 5.4.)

Figure 5.4
**CHANGE IN U.S. MANUFACTURING
UNIT LABOR COST, RELATIVE TO
COMPETITORS', 1980-1982 (In U.S. Dollars)**



In 1982, the average manufacturing unit labor costs of the United Kingdom and Canada nearly equalled the U.S. cost. The unit labor costs of other major developed countries were generally lower, and Japan's cost was far lower—one-half the U.S. costs. (See Figure 5.5.) Comparable data for 1983 are not yet available, but the strong U.S. economic recovery has improved U.S. productivity and perhaps narrowed the cost gap.

Figure 5.5
**LABOR COSTS PER UNIT OF OUTPUT, 1982
(United States = 100)**



Although the productivity levels of the NICs are much lower than in the major developed countries, their manufacturing productivity probably has been rising much more rapidly. The NICs' productivity growth, combined with their far lower wage levels, has put them in an increasingly competitive position. Wage costs of NICs, such as Brazil, Mexico, Taiwan and Rep. of Korea, ranged from an estimated 10 to 14 percent of U.S. costs in 1983.

The use of U.S. produced parts and components assembled abroad into finished goods continues to be a significant factor in determining U.S. trade flows and competitiveness. These shipments are a major U.S. trade factor in automotive products trade with Canada, U.S. electronic products trade with East Asian NICs, various products with Mexico, and clothing and other textiles trade with many Latin American and Caribbean countries. By 1983, imports benefitting from customs rebates on the U.S. content of imports reached \$21.6 billion, 13 percent of the total manufactures imports. About 25 percent of this \$21.6 billion was originally produced in the United States. Such rebates are provided under sections 806 and 807 of the Trade Act of 1930, as amended.

Lagging U.S. Investment

The low U.S. savings rate, particularly in comparison with Japan, has intensified the competition for the limited supply of U.S. capital funds. The high interest rates at which U.S. corporations have had to borrow, as well as depressed stock prices, raised the cost of capital and, thus, has contributed to a lower capital investment rate and a lagging rate of R&D expenditures compared with several key competitors. These and other factors have negatively affected other technology improvements, and contributed to lower productivity growth in terms of output per worker. The drop in interest rates in 1982 and 1983, the rise in stock prices, as well as recently authorized acceleration of tax depreciation allowances have improved the outlook for investments.

New plant and equipment are essential to advance the productivity of U.S. industry as well as to introduce new technologies and products. These advances are essential to U.S. competitiveness in our own market and abroad. The rate of new capital outlays by U.S. industry (expenditures for plant and equipment) has been lagging for a number of years. After reaching a peak 1.7 percent growth rate in 1979, the rate declined in 1980 and 1981. In 1982 the level of capital outlays actually decreased by 1.6 percent and dropped further by an estimated 4.2 percent in 1983. Current projections for 1984, however, anticipate significant capital outlay growth.

Both Japan and West Germany, key U.S. high tech competitors, have outpaced the United States in their civilian R&D expenditures, both as a share of GNP and in growth of that share. Between

1977 and 1981 (the latest available statistics), West Germany increased its civilian R&D share of GNP from 2.13 to 2.83. Japan raised its share from 1.87 to 2.30. The U.S. share rose from only 1.50 to 1.69. The U.S. tax credits for R&D enacted in 1981 should narrow this gap. With the lags between investment and product output, our recent competitive performance reflects these key differences.

FOREIGN TRADE DISTORTING PRACTICES

In addition to basic economic factors that determine comparative advantage, foreign unfair trade practices also impair the ability of U.S. firms to compete against foreign competitors. For example, an element in the large persistent U.S. trade deficit with Japan is the difficulty U.S. exporters face in gaining access to the Japanese market. Impaired access results from a wide range of non-tariff practices, such as those in the areas of standards and procurement.

Access problems also exist in Europe, for example, for sales of agricultural products and telecommunications equipment. Subsidized export credits are another way that industrial nations give their exporters a significant advantage. Among the LDCs there are also problems of subsidies, and market access as well other types of restrictions, such as content and domestic performance requirements, that can adversely affect U.S. trade.

The overall effect of foreign unfair trade practices can not be quantified, but it is certainly not trivial.



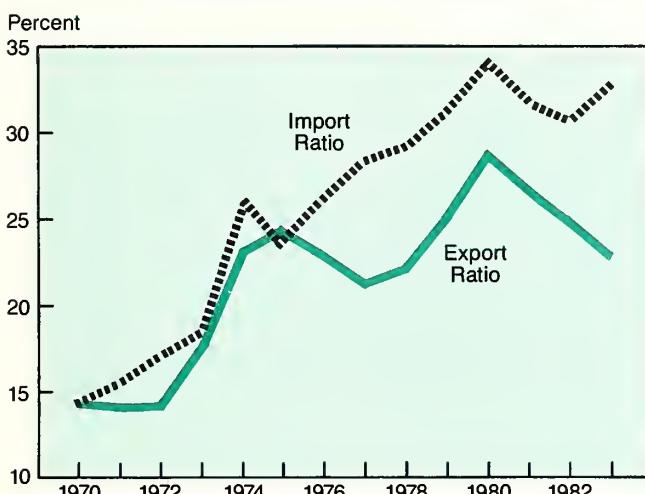
Chapter VI.—EFFECTS OF U.S. TRADE DEFICIT

DRAG ON ECONOMIC RECOVERY

Decreasing U.S. export volume was an additional hard blow to a U.S. economy in recession in 1982, and was a major negative factor in an otherwise strong U.S. economic recovery in 1983. Up to 1981, exports had been an important contributor to U.S. economic growth. The ratio of exports to production of all goods shows that the U.S. economy's dependence on exports was steadily rising until 1980 when it reached 28.7 percent. This ratio dropped to 24.9 percent in 1982 and decreased further in 1983. (See Figure 6.1.)

Figure 6.1

RATIO OF U.S. TRADE TO U.S. GOODS PRODUCTION, 1970-1983



The drop in exports in 1983 was an important restraint on U.S. economic growth. The full real effect of lost export sales equalled one-fourth of the real growth in GNP that occurred, when including (1) the lost upstream and downstream outputs that would have been required and (2) the additional losses to the economy of lower income from wages and profits. Whether all or even a major part of the additional demand represented by the lost exports would have resulted in significantly higher U.S. economic growth can not be determined. A key factor would be the degree to which monetary policy accommodated this additional demand and the effect of additional demand on prices. Whatever the macroeconomic effect, this drop in export volume does have a very negative impact on U.S. industries heavily dependent on export sales.

LOSS OF U.S. JOBS

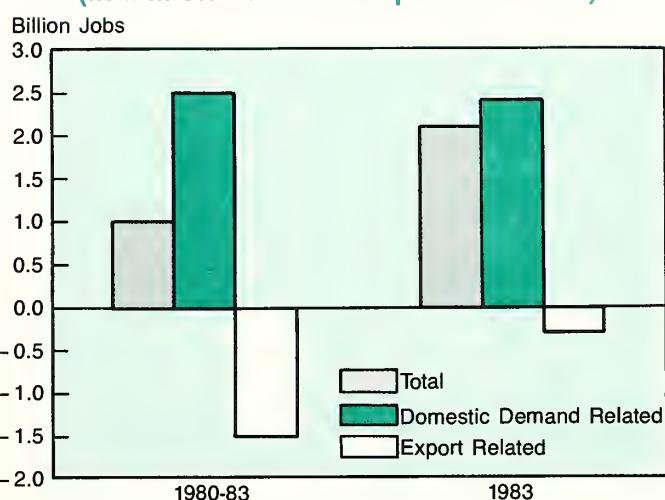
Export expansion in earlier years was an important source of new U.S. jobs. In 1983 an average of about 25,000 jobs was required for each billion dollars of exports. In manufacturing industries alone, workers owed about one in every eight jobs to exports. For the jobs generated directly in manufacturing, additional jobs were indirectly generated in that sector, in other goods producing industries, and in service industries.

The increasing export share of U.S. manufactures output through 1980 produced a corresponding rise in the share of employment generated by exports. Between 1977 and 1980 the increase in exports of manufactures alone created 1.5 million jobs, accounting for 80 percent of the increase in manufacturing jobs during that period.

The 18.9 percent drop in total U.S. export volume between 1980 and 1983 has temporarily reversed this job creating process—producing a loss of 1.5 million jobs. The 6.9 percent volume decrease in exports between just 1982 and 1983 equalled a loss of 300,000 more jobs. (See Figure 6.2.)

Figure 6.2

EFFECT OF EXPORT JOB LOSSES ON TOTAL U.S. EMPLOYMENT GROWTH 1980-83 and 1983 (In Million Full-Time Equivalent Jobs)



IMPACT ON STATES

The impact of the recent export decline was more deeply felt in some U.S. states than others. Many of the states that suffered declines had benefitted most from the previous growth in exports. The losses were probably mainly in the North Eastern and North Central States, California and

Texas. (See Table 6.1.) These are states accounting for a large share of manufacturing exports. Additional states with smaller sized manufacturing sectors, but with relatively high shares of manufactures that are export oriented, include Alaska (mainly manufactured foods), Washington, and Arizona.

Table 6.1—Top Ten States in 1981

Ranking by Percent of Manufacturing Employment that is Export Related	
Alaska.....	34.1
Washington.....	26.3
Arizona.....	20.5
Connecticut.....	14.9
Ohio.....	14.7
Michigan.....	14.6
West Virginia.....	14.6
Oregon.....	14.5
California.....	14.5
Massachusetts.....	14.2

Ranking By Size of Manufacturing Employment That is Export Related (in 1,000 Workers)	
California.....	296.1
Ohio.....	179.6
New York	172.0
Pennsylvania.....	171.4
Illinois.....	157.0
Michigan.....	142.8
Texas.....	135.7
Massachusetts.....	98.4
New Jersey	94.5
Indiana.....	85.9

IMPORTS AND THE DOMESTIC ECONOMY

With strong domestic growth, corresponding import growth is normally expected. Such import growth does not necessarily imply a negative effect on the domestic economy. In the short-run, import growth lessens inflationary pressures and keeps the economy from expanding at too rapid a rate. Imports in many instances provide low-cost alternatives for consumers and inputs to industry, and also stimulate the efforts of domestic industry to enhance the competitiveness of its output. During periods of strong domestic economic expansion, the negative effects of imports are more readily absorbed by the domestic economy.

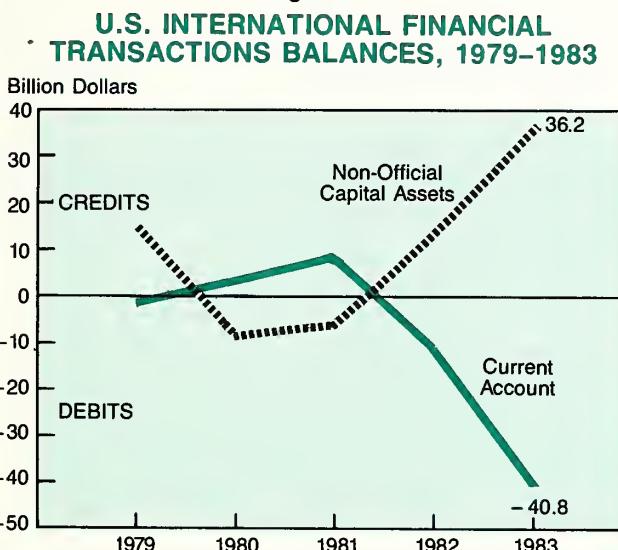
Imports have not merely grown proportionately with domestic demand. Their penetration of domestic markets has been persistently growing. As indicated earlier, the ratio of imports to domestic production has been steadily rising except during recessions. This growing penetration is not solely due to the rising cost of the U.S. dollar. Indeed, this expanding penetration of the U.S. market long preceded the post-1980 dollar appreciation. The rising scope and depth of import penetration has been increasing pressure on the U.S. economy to undertake structural adjustments already underway for domestic reasons. Most of the import penetration in past years has been in consumer goods and products of basic industries. More recently, the scope of significant penetration has expanded to high tech electronics and other capital goods.

Chapter VII.—U.S. INTERNATIONAL FINANCIAL FLOWS

CAPITAL INFLOW AND DOLLAR DEPRECIATION

In both 1982 and 1983 there were changes in U.S. international payments flows that would usually tend to produce a depreciation of the U.S. dollar, not the further appreciation that took place. If such a depreciation had occurred, U.S. price competitiveness would have improved, not worsened, and the U.S. trade deficit would have benefitted. The deterioration in current account flows, however, was offset by an unusually high level of capital net inflows. (See Figure 7.1.) Among other factors, these inflows reflected a reduction in the net U.S. international direct investment position.

Figure 7.1



CURRENT ACCOUNT DETERIORATION

As a result of the growth in the merchandise deficit and other shifts, the current account shifted from a surplus of \$4.6 billion in 1981 to a deficit of \$11.2 billion in 1982, a total negative swing of \$15.8 billion. The current account flows worsened again in 1983, reaching a deficit of \$40.8 billion. This growing current account deficit reflected not only the growing U.S. merchandise deficit, but the shrinking surpluses in tradeable business services and in other services.

The U.S. balance of payments on U.S. merchandise trade has incurred large deficits since 1976. In 1982, the deficit grew to \$36.4 billion and in 1983 worsened to \$60.6 billion.

Tradeable U.S. business services for a number of years have been an important and growing source

of U.S. foreign earnings, providing a rising surplus in an important component of the U.S. current account. These tradeable business services include transportation, insurance, engineering, communication and scientific services, as well as other services that earn royalties and fees. The "exportation" of those services, however, declined slightly in 1982 for the first time in many years, and again in 1983, reducing the size of this important offset against merchandise trade deficit. The export surplus in tradeable business services decreased by \$1.4 billion in 1982 and by an equally large amount in 1983. This decrease in the surplus in tradeable business services helped reduce the upward exchange pressure on the U.S. dollar.

A second major offset against the rising merchandise trade deficit has generally been a growth in export surplus in "other services receipts". These other services receipts include interest, dividends and related earnings. The export surplus of these other services receipts peaked at \$36.8 billion in 1981, but dropped to \$35.9 billion in 1982 and to \$28.6 billion in 1983. The decrease in these net receipts also was a source of lessening pressure on the U.S. dollar.

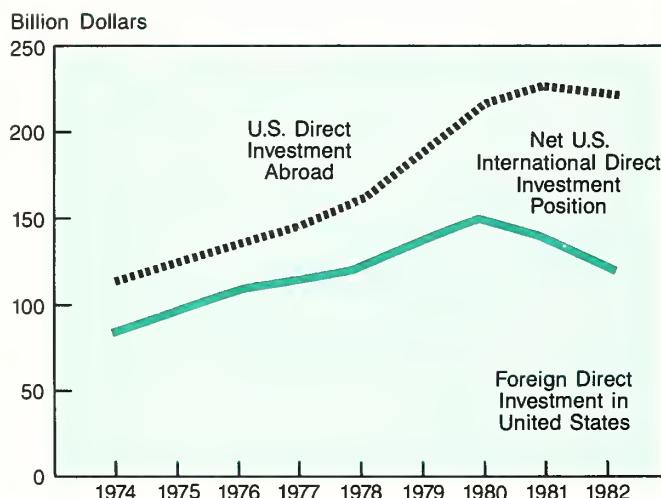
OFFSETTING CAPITAL INFLOWS

The flows of capital into and out of the United States comprise both inflows and outflows of both U.S.-owned and foreign-owned capital. Both the U.S.-owned and foreign-owned capital flows are reported in net terms, as each includes flows of new investment capital as well as offsetting returns of previously invested capital. Traditionally, U.S.-owned capital has been a net outflow and foreign-owned capital has been a net inflow. In turn, the sum of these U.S. and foreign capital flows into and out of the United States add up to a net overall U.S. capital flow position. In most recent years this position was a net U.S. capital outflow.

In 1982 and 1983, the overall U.S. capital flows position shifted from net outflow to net inflow (when including the balance of payments statistical discrepancy as capital flows). This shift resulted from more rapid growth of net unofficial foreign capital inflows into the United States than the growth of U.S.-owned unofficial capital outflow abroad. The combined effect of this shift to net capital inflows, together with expectations of a rising dollar exchange rate, was sufficient to offset the downward pressure on the U.S. dollar exchange rate produced by the deterioration of the current account.

The net foreign unofficial capital inflow grew from \$69.6 billion to \$126.6 billion between 1980 and 1982 (excluding official reserves, but including the statistical discrepancy). During this same period, the net U.S.-owned unofficial capital outflow also grew from \$77.9 billion to \$113.1 billion. In 1983 both types of net flows dropped

Figure 7.2
U.S. INTERNATIONAL DIRECT INVESTMENT POSITION, 1974-1982



off sharply, but overall U.S. net unofficial inflows rose to a record level.

These shifts in flows were accompanied by a decline in the book value of U.S. direct investment abroad for the first time in recent history. The level of U.S. direct investment abroad decreased from a peak of \$226.4 billion in 1981 to \$221.3 billion in 1982, while the level of foreign direct investment in the United States continued its long-term rise to \$101.8 billion in 1982. (See Figure 7.2.) As a result, the net U.S. international direct investment position (U.S. direct investment abroad less foreign direct investment in the United States) continued to decrease from its peak of \$147.0 billion in 1980 to \$119.5 billion in 1983.

The key factors behind the inward capital flows appear to be (1) higher U.S. interest rates than those abroad in 1982-83, (2) a premium placed on dollar investments by investors to avoid foreign risks and (3) at the end of 1982, an apparently improved U.S. business profits outlook compared with elsewhere. The shrinkage of the net U.S. international investment position (including the statistical discrepancy as capital flows) was particularly exacerbated by U.S. parent companies borrowing through their Netherlands Antilles affiliates, which is treated as a reduction of U.S. direct investment abroad.

Chapter VIII.—TRADE OUTLOOK

TRADE DEFICIT IN 1984

The U.S. trade performance is expected to continue to deteriorate in 1984. The deficit is projected to expand to the \$120 to \$130 billion range—a \$50 to \$60 billion worsening from the 1983 deficit level. Evidence of this growth is that the deficit was running at annual rates of \$90 billion in the last quarter of 1983 and of \$126 billion in the first four months of 1984.

This rapid widening in the gulf between U.S. exports and imports is the result of the continued high growth rate of imports accompanied by continued lack of significant growth in exports. U.S. economic growth is expected to continue to outpace that in most other major economies. The growth in U.S. domestic demand will likely continue to encourage import growth at a rate much higher than for the U.S. economy. Consequently, imports will likely further increase their share of the domestic U.S. market.

Imports may grow by nearly 30 percent, reaching well over \$300 billion. A larger Japanese voluntary export quota will enable imports from Japan to increase by 170,000 autos in Japan's 1984 fiscal year (beginning April 1984), and will likely result in a more than 10 percent rise in the 1984 value of those U.S. auto imports. Strong U.S. economic growth will also encourage the continued rapid rise of imports from the East Asian NICs. A rising demand for oil to run the expanding U.S. economy will also show up in increased oil imports. If oil prices firm up as a result of growing demand for oil here and abroad, there will be a multiplier effect on U.S. import costs.

The gradual economic recovery in most U.S. major developed markets should be sufficient to increase slightly U.S. exports in 1984. Most of the U.S. export decline produced by the debt crises in the developing countries probably occurred by early 1984. Recovery of exports to these LDCs to previous levels will be slow as they need to achieve export surpluses in order to repay their international debts. Furthermore, Japan and the NICs in East Asia and elsewhere have enhanced their competitiveness with many U.S. manufactures exports and are more able to compete than before in traditional U.S. markets while the world economy improves.

Even if the international value of the dollar falls somewhat during 1984, it is not likely to significantly help the U.S. trade deficit this year, mainly due to the lags between exchange rate movements and their effects on trade levels. Changes in export or import volumes reflecting an exchange rate decline will lag significantly behind the improved price competitiveness produced by that revaluation. Indeed, a devaluation will have an initial perverse effect on the value of imports already contracted for and imported during the year. For possibly 3 to 4 quarters, the cost of imports will primarily reflect the volume inflow induced by a previous high dollar and the coinciding perverse impact of an inflated import value that reflects the new higher U.S. dollar cost of those imports at the new lower U.S. dollar exchange rate.

Even if productivity, availability of capital, and R&D investment improve in 1984, they will not significantly aid the 1984 trade deficit. These factors take even longer to be reflected in international competitiveness than changes in the exchange rates.

The growth in the deficit in 1984, therefore, will likely continue to be a significant negative factor in the U.S. economic recovery. This will occur because the volume of exports is not growing significantly, while productivity growth is reducing the number of jobs required to produce the existing level of exports.

BEYOND 1984

The very large 1983 and 1984 U.S. trade deficits should not be expected to narrow quickly. The expected slowing of the U.S. economy and faster economic growth abroad should help correct the deficit. A more favorable exchange rate will improve our trade over time, but changes in exchange rates take some time to have significant effects on trade flows. We can also expect to face growing competition from the NICs, who are increasingly penetrating world markets for heavy industry and high-tech products. Thus, a reduction of the U.S. trade deficit to even the \$40 billion levels of 1977-82 can only be gradual, even with a favorable movement of the dollar.

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STATISTICAL APPENDIX

NOTE ON TRADE DATA USED IN THIS REPORT

The values for exports are f.a.s. (free-along-side at the port of exportation) and imports are c.i.f. (cost, including international insurance and freight). As the focus of this report is on the relation of U.S. trade and its competitiveness to the U.S. economy, the official U.S. Census export data used cover only domestic exports, not reexports of foreign merchandise. Similarly, the import data used cover only imports for consumption, rather than general imports. General imports include entries into bonded warehouses and free-trade zones, much of which are subsequently reexported. Unfortunately, data on imports for consumption, c.i.f., detailed by country of origin or by commodity, are not readily available for recent years and not at all for earlier years. For this reason, general imports, which exceed imports for consumption by about 0.5 percent, are used as a proxy for imports for consumption by country or commodity. Data on exports include domestic Military Grant Aid Shipments, as they are not available separately by commodity or country. In addition, exports of special category items are not included in some of the trade data tables, due to the lack of readily available data on domestic exports including those shipments. (See table footnotes.)

For further description of the differences in bases of reporting trade coverage, see Table 2 in this appendix.

All of the U.S. trade data in the text tables are reported by the U.S. Bureau of the Census.

The four country groupings used in this report: EEC-7, LAFTA, East Asian NICs, and OPEC, were selected to cover key countries that contributed to major U.S. trade developments in 1980-83. The EEC-7 refers to the seven largest trading nations of the European Economic Community: Belgium/Luxembourg, France, Federal Republic of Germany (West Germany), Italy, Netherlands, and the United Kingdom. (The United Kingdom was not an original EC member.) LAFTA in this report refers to the eleven former LAFTA members, including Chile, but excludes the two members, Ecuador and Venezuela, which are OPEC members. The East Asian NICs include China (Taiwan), Hong Kong, Republic of Korea (South Korea), and Singapore. OPEC includes all of the current OPEC members, including Ecuador and Venezuela.

The data on high tech trade are based on the U.S. Department of Commerce DOC-3 definition.

LIST OF APPENDIX TABLES

TABLE NO.

TITLE

1	Total U.S. Merchandise Trade, 1970-1983.
2	Total Merchandise Trade Data by Type of Shipment and Valuation Basis, 1982 and 1983.
3	Total U.S. Merchandise Trade With Major Trading Partners, 1980-1983.
4	Total U.S. Merchandise Trade by Major Product Group, 1970-1983.
5	U.S. Trade in Manufactured Goods, 1970-1983.
6	U.S. Trade in Manufactured Goods with Major Trading Partners, 1980-1983.
7	Top Ten U.S. Commodity Exports and Imports in 1983.
8	U.S. Exports by Principal Products, 1979-1983.
9	U.S. Imports by Principal Products, 1979-1983.
10	U.S. Exports of Selected Commodities with Greatest Value Changes, 1982-1983.
11	U.S. Imports of Selected Commodities with Greatest Value Changes, 1982-1983.
12	U.S. Trade by Selected End-Use Product Categories, 1980-1983.
13	U.S. Trade in High Technology and Non-High Technology Manufactures, 1970-1983.
14	U.S. Trade in High Technology Manufactures, by Product Group, 1980-1983.
15	U.S. Trade in High Technology Manufactures, by Major Trading Partner, 1980-1983.
16	U.S. Imports of Petroleum and Petroleum Products, 1970-1983.
17	Top Ten U.S. Trading Partners in 1983.
18	U.S. Merchandise Trade with Canada, 1970-1983.
19	U.S. Merchandise Trade with Japan, 1970-1983.
20	U.S. Merchandise Trade with the EEC-7, 1970-1983.
21	U.S. Merchandise Trade with LAFTA Countries, 1977-1983.
22	U.S. Merchandise Trade with East Asia NIC's, 1973-1983.
23	U.S. Manufactures Trade: Prices and Volume, 1970-1983.
24	World Trade of Selected Countries and Areas, 1980-1982.
25	World Manufactures Trade of Selected Countries and Areas, 1978-1982.
26	Manufactures Trade of Selected Countries, 1970-1983.
27	Volume of Manufactures Trade of Selected Countries, 1979-1983.
28	High Technology Exports of Selected Countries, 1970-1983.
29	Shares of Industrial Countries' Manufactures Exports, Total and High Technology, 1970-1983.
30	Unit Values of Manufactures Exports for Selected Countries, 1979-1983.
31	World Crude Steel Output by Major Producer, 1970-1983.
32	World Motor Vehicle Output by Major Producer, 1970-1983.
33	Gross National Product of Selected Countries, 1970-1983.
34	Industrial Production of Selected Countries, 1970-1983.
35	Ratios of U.S. Merchandise Trade to GNP, 1970-1983.
36	GNP Implicit Price Deflator for Selected Countries, 1970-1983.
37	Exchange Rates of the U.S. Dollar, 1970-1983.
38	U.S. Real Effective Bilateral Exchange Rates.
39	U.S. International Financial Transactions, 1979-1983.
40	U.S. International Direct Investment Position, 1974-1982.

- 41 Balance of Payments Current Account Balances of Selected Countries, 1979-1983.
- 42 Short Term Interest Rates of Selected Countries, 1978-1983.
- 43 Ratio of Savings to Disposable Personal Income, Selected Countries, 1970-1983.
- 44 R&D Indicators for Selected Countries, 1970-1982.
- 45 Manufacturing Unit Labor Costs, Compensation, and Output in Selected Countries, 1970-1983.
- 46 Manufacturing Labor Costs, Output and Unit Labor Costs Relative to the United States, 1982.
- 47 Unit Labor Costs in Manufacturing, in U.S. Dollars, 1970-1983.
- 48 Selected U.S. Employment Indicators, 1977-1983.
- 49 Unemployment Ratios in Selected Countries, 1977-1983.

Table 1

Total U.S. Merchandise Trade, 1970-1983
(Imports for consumption and general imports, c.i.f.; Domestic exports, f.a.s.)

Exports 2/	Consumption	Values 1/ (Billions of dollars)			Exports 3/	Imports 4/	Exports 5/	Imports 5/
		Imports	General	Balance				
		(Consp. Imp.)	(Gen. Imp.)	(Gen. Imp.)				
1970	42.6	42.2e	42.8e	+0.4e	-0.2e	-	58.3	67.0
1971	43.5	48.3e	48.9e	-4.8e	-5.4e	+2.1	57.6	72.4
1972	49.0	58.6e	59.6e	-9.6e	-10.6e	+12.6	63.3	82.4
1973	70.4	73.1e	74.6e	-2.7e	-4.2e	+43.7	78.0	87.3
1974	97.3	107.1	110.9	-9.8	-13.6	+38.2	84.9	83.7
1975	106.6	103.4	105.9	+3.2	+0.7	+9.6	-3.5	83.3
1976	113.7	129.2	132.5	-15.5	-18.8	+6.7	+25.0	86.1
1977	119.1	156.8	160.4	-37.7	-41.3	+4.7	+21.4	87.1
1978	141.2	182.7	186.0	-41.5	-44.8	+18.6	+16.5	96.6
1979	178.8	221.0	222.2	-42.2	-43.4	+26.6	+21.0	107.5
1980	216.7	255.6	257.0	-38.9	-40.3	+21.2	+15.7	114.8
1981	229.0	271.3	273.4	-42.3	-44.4	+5.7	+6.1	104.3
1982	207.2	253.2	254.9	-46.0	-47.7	-9.5	-6.7	111.4
1983	196.0	268.5	269.9	-72.5	-73.9	-5.4	+6.0	105.2
1982:	1	54.1	63.7	64.4	-9.6	-10.3	-	102.9
	2	55.8	62.9	63.2	-7.1	-7.4	+3.1	97.4
	3	48.8	65.3	65.7	-16.5	-16.9	-12.5	100.0
	4	48.5	61.3	61.6	-12.8	-13.1	-0.6	105.1
1983	1	48.9	60.3	60.7	-11.4	-11.8	+0.8	94.0
	2	49.4	65.9	66.4	-16.5	-17.0	+1.0	98.9
	3	47.3	69.3	69.5	-22.0	-22.2	-4.3	107.0
	4	50.3	72.9	73.4	-22.6	-23.1	+5.2	114.8
						+6.3	+5.2	93.8
								119.8

1/ Data for 1974-1983 include foreign trade of the Virgin Islands.

2/ Including Department of Defense MGA shipments.

3/ Based on domestic exports including MGA.

4/ Based on general imports, customs valuation.

5/ Quarters are seasonally adjusted.

e: Estimated for c.i.f. valuation.

Source: U.S. Department of Commerce, Bureau of the Census
International Economic Indicators, U.S. Department of Commerce.

Table 2
 Total Merchandise Trade Data by
 Type of Shipment and Valuation Basis, 1982 and 1983
 (Millions of dollars)

	<u>1982</u>	<u>1983</u>
<u>U.S. Exports (f.a.s. valuation)</u>		
Total exports, domestic and foreign	212,274.6	200,537.6
Domestic merchandise*	207,157.6*	195,969.4*
DOD military assistance program		
grant-aid shipments (MGA)	81.5	51.8
Special category	6,516.6	5,841.0
Other domestic merchandise	200,559.5	190,076.6
Foreign merchandise (re-exports)	5,116.9	4,568.3
Domestic and foreign (excl. MGA)	212,193.1	200,485.8
Domestic (excl. MGA)	207,076.1	195,917.6
<u>U.S. Imports</u>		
General imports:		
c.i.f. valuation	254,884.5	269,878.2
Customs valuation	243,951.9	258,047.8
Imports for consumption:		
c.i.f. valuation*	253,186.5*	268,452.2*
Customs valuation	242,340.0	256,679.5
<u>U.S. Trade Balances</u>		
Exports, f.a.s., domestic & foreign, excl. MGA and:		
General imports, c.i.f. valuation	-42,691.4	-69,392.4
General imports, customs valuation	-31,758.8	-57,562.0
Exports, f.a.s., domestic, incl. MGA and:		
Imports for consumption, c.i.f. valuation*	-46,028.9*	72,482.8*
Imports for consumption, customs valuation	-35,182.4	-60,710.1

*Data used in this report to describe total U.S. trade deficit. Other categories shown are used when the asterisked data are not readily available on a consistent basis.

Source: U.S. Department of Commerce, Bureau of the Census.

Table 3

Total U.S. Merchandise Trade With Major Trading Partners, 1980-1983
 (General imports, c.i.f.; Domestic exports, f.a.s.)
 (Billions of dollars)

	Exports			Imports			Balance					
	1980	1981	1982	1983	1980	1981	1982	1983	1980	1981	1982	1983
Developed Countries	128.2	132.5	119.4	119.5	130.8	147.2	147.1	158.0	-2.6	-14.7	-27.7	-38.5
Canada	34.1	38.3	32.5	36.9	42.0	46.8	46.8	52.5	-7.9	-8.5	-14.3	-15.6
Japan	20.6	21.5	20.7	21.5	33.0	39.9	39.9	43.6	-12.4	-18.4	-19.2	-22.1
EEC-7 1/	51.0	48.8	44.3	40.9	36.7	41.8	42.7	43.9	14.3	7.0	1.6	-3.0
Other Developed	22.5	23.9	21.9	20.2	19.1	18.7	17.7	18.0	3.4	5.2	4.2	2.2
Developing Countries	80.9	88.6	81.3	71.4	119.2	122.4	104.4	108.1	-38.3	-33.8	-23.1	-36.7
OPEC	17.4	21.0	22.4	16.9	58.1	51.8	32.7	26.5	-40.7	-30.8	-10.3	-9.6
Saudi Arabia	5.6	7.1	8.8	7.8	13.5	15.2	7.9	3.8	-7.9	-8.1	0.9	4.0
LAFTA 2/	26.3	28.4	20.0	15.3	21.3	23.3	24.8	27.2	5.0	5.1	-4.8	-11.9
Mexico	14.9	17.4	11.1	8.8	12.8	14.0	15.8	17.0	2.1	3.4	-4.7	-8.2
Brazil	4.3	3.8	3.4	2.5	4.0	4.9	4.6	5.4	3.0	-1.1	-1.2	-2.9
East Asia NICs 3/	14.5	14.8	15.3	16.6	18.8	22.1	23.8	29.6	-4.3	-7.3	-8.5	-13.0
Other Developing	22.7	24.4	23.6	22.6	21.0	25.2	23.1	24.8	1.7	-0.8	0.5	-2.2
Centrally Planned Economies	7.6	7.9	6.5	5.1	2.7	3.8	3.7	4.0	4.9	4.1	2.8	1.1
USSR	1.5	2.4	2.6	2.0	0.5	0.4	0.2	0.4	1.0	2.0	2.4	1.6
China (Mainland)	3.8	3.6	2.9	2.2	1.2	2.1	2.5	2.5	2.6	1.5	0.4	-0.3

1/ Belgium/Luxembourg, France, Germany, Italy, Netherlands, United Kingdom

2/ Excludes Ecuador and Venezuela which are included in OPEC.

3/ Hong Kong, Republic of Korea, Singapore, China (Taiwan).

Source: U.S. Department of Commerce, Bureau of the Census

Table 4
Total U.S. Merchandise Trade by Major Product Group, 1970-1983
(General imports, c.i.f.; Domestic exports, f.a.s.)
(Billions of dollars)

	Exports			Imports				
	Total	Agri-culture*	Manufactures	Other	Total	Petroleum & Products*	Manufactures	Other
1970	42.6	7.2	29.3	6.1	42.8e	3.1e	27.0e	12.7e
1971	43.5	7.7	30.4	5.4	48.9e	3.9e	32.3e	12.7e
1972	49.0	9.4	33.7	5.9	59.6e	4.9e	40.0e	14.7e
1973	70.4	17.7	44.7	8.0	74.6e	8.9e	47.7e	18.0e
1974	97.3	22.0	63.5	11.8	110.9	28.7	59.5	22.7
1975	106.6	21.9	71.0	13.7	105.9	29.1	55.0	21.8
1976	113.7	23.0	77.2	13.5	132.5	37.4	69.6	25.5
1977	119.1	23.7	80.2	15.2	160.4	48.1	81.9	30.4
1978	141.2	29.4	94.5	17.3	186.0	44.8	106.8	34.4
1979	178.8	34.8	116.6	27.4	222.2	63.4	118.8	40.0
1980	216.7	41.3	143.9	31.5	257.0	82.0	131.5	43.5
1981	229.0	43.3	154.3	31.4	273.4	79.7	149.0	44.7
1982	207.2	36.6	139.7	30.9	254.9	62.7	150.3	41.9
1983	196.0	36.1	132.4	27.5	269.9	55.3	170.6	44.0
1982.	1	54.1	10.5	36.0	64.4	16.8	37.6	10.0
	2	55.8	10.0	37.6	8.2	63.2	13.3	39.1
	3	48.8	5.5	33.9	9.4	65.7	17.0	38.3
	4	48.5	10.6	32.2	5.7	61.6	15.6	35.3
1983:	1	48.9	9.3	32.8	6.8	60.7	11.4	38.3
	2	49.4	8.5	34.1	6.8	66.4	12.9	42.1
	3	47.3	10.0	31.9	5.4	69.5	16.2	42.7
	4	50.3	8.3	33.7	8.3	73.4	14.8	47.6

* Includes some manufactured products
e . Estimated.

Note Total imports and exports for 1974-1983 include Virgin Islands foreign trade;
commodities include Virgin Islands trade only for 1981-1983.

Source. U.S. Department of Commerce, Bureau of the Census

Table 5

U.S. Trade in Manufactured Goods, 1970-1983
(General imports, c.i.f.; Domestic exports, f.a.s.)

	Value (Billions of Dollars)			Percent Change From Preceding Year/Quarter		Volume (1982=100)	
	Exports	Imports	Balance	Exports	Imports	Exports	Imports*
1970	29.3	27.0e	2.3e	---	---	60.5	53.2
1971	30.4	32.3e	-1.9e	3.8	19.6	N.A.	N.A.
1972	33.7	40.0e	-6.3e	10.9	23.8	N.A.	N.A.
1973	44.7	47.7e	-3.0e	32.6	19.3	N.A.	N.A.
1974	63.5	59.5	4.0	42.1	24.7	N.A.	N.A.
1975	71.0	55.0	16.0	11.8	-7.6	92.7	55.9
1976	77.2	69.6	7.6	8.7	26.6	94.4	70.3
1977	80.2	81.9	-1.7	3.9	17.7	93.3	78.5
1978	94.5	106.8	-12.3	17.8	30.4	102.6	91.2
1979	116.6	118.8	-2.2	23.4	11.2	112.7	90.5
1980	143.9	131.5	12.4	23.4	10.7	122.0	91.2
1981	154.3	149.0	5.3	7.2	13.3	116.7	100.4
1982	139.7	150.3	-10.6	-9.5	0.9	100.0	100.0
1983	132.4	170.6	-38.2	-5.2	13.5	93.3	116.2
1982: 1	36.0	37.6	-1.6	---	---	102.5	99.5
2	37.6	39.1	-1.5	4.4	4.0	102.2	100.8
3	33.9	38.3	-4.4	-9.8	-2.1	102.2	103.6
4	32.2	35.3	-3.1	-5.0	-7.8	91.2	95.9
1983: 1	32.8	38.3	-5.5	1.9	8.5	92.3	106.2
2	34.1	42.1	-8.0	4.0	9.9	91.5	112.6
3	31.9	42.7	-10.8	-6.5	1.4	93.9	117.3
4	33.7	47.6	-13.9	5.6	11.5	95.7	128.9

*Based on general imports, customs valuation.

e: Estimated.

Sources: U.S. Department of Commerce, Bureau of the Census;
U.S. Department of Commerce, International Economic Indicators.

Table 6

U.S. Trade in Manufactured Goods with Major Trading Partners, 1980-1983
 (General imports, c.i.f.; Domestic exports, f.a.s.)
 (Billions of dollars)

	Exports 1/			Imports			Balance	
	1980	1981	1982	1983	1980	1981	1982	1983
Developed Countries								
Canada	79.9	82.5	73.9	77.7	97.9	109.3	120.1	-18.0
Japan	26.3	30.6	26.0	29.8	24.9	28.5	33.2	+1.4
EEC-7 2/	8.6	9.5	9.4	10.1	32.1	39.2	42.7	-23.5
Other Developed	33.5	31.0	28.6	27.8	30.0	31.2	31.1	+3.5
11.5	11.4	10.0	10.0	10.8	10.5	10.2	11.1	+0.7
Developing Countries								
OPEC	60.8	67.8	60.6	50.0	31.8	37.3	38.5	48.0
Saudi Arabia	13.5	16.5	16.8	11.6	0.4	0.5	0.4	0.9
4.7	4.7	6.0	6.4	5.8	(-)	(-)	(-)	(-)
LAFTA 3/	19.8	22.1	15.0	10.8	6.8	8.3	8.0	10.3
Mexico	10.9	13.6	8.3	6.1	4.1	4.8	4.8	5.9
Brazil	3.2	2.7	2.5	1.7	1.4	1.9	1.9	2.6
East Asia NICs 4/	9.2	9.2	9.7	10.3	17.8	20.9	22.7	28.3
Other Developing	18.3	20.0	19.1	17.3	6.8	7.6	7.4	8.5
Centrally Planned Economies								
USSR	2.0	2.0	1.9	2.0	1.9	2.4	2.4	2.6
China (Mainland)	0.4	0.6	0.6	0.5	0.3	0.2	0.2	0.3
	1.2	1.1	1.1	1.3	1.3	1.6	1.7	1.7

1/ Exports exclude special category shipments.

2/ Belgium/Luxembourg, France, Germany, Italy, Netherlands, United Kingdom.

3/ Excludes Ecuador and Venezuela which are included in OPEC.

4/ Hong Kong, Republic of Korea, Singapore, China (Taiwan).

() Less than \$50 million.

Source: U.S. Department of Commerce, Bureau of the Census.

Table 7

Top Ten U.S. Commodity Exports and Imports in 1983
(General imports, c.i.f., Domestic exports, f.a.s.)

Commodity	Exports*			Imports		
	Value (\$Billions) 1980	Value (\$Billions) 1983	Percent of 1983 Total	Commodity	Value (\$Billions) 1980	Percent of 1983 Total
Grains	18.1	15.2	7.8	Petroleum and products	82.0	55.3
Motor Vehicles	14.8	14.6	7.4	Motor vehicles	20.2	29.8
Aircraft, equipment, & parts, except engines	12.8	12.2	6.2	Telecommunications equip.	7.0	11.6
Office machines and data processing equip.	8.7	11.7	6.0	Clothing	6.8	10.3
Specialized industrial machinery	12.5	9.1	4.6	Nonferrous metals	7.7	7.5
Power generating machinery	8.4	8.7	4.4	Iron and steel	8.2	7.4
Soybeans	5.9	5.9	3.0	Office machines and data processing equip.	3.0	7.0
Professional, scientific, and controlling instruments	5.3	5.9	3.0	Natural and manufactured gas	5.3	5.7
Organic chemicals	5.7	5.3	2.7	Power generating machinery	3.9	5.4
Petroleum and products	2.8	4.6	2.3	Specialized industrial machinery	4.9	5.0

*Excludes special category shipments.

Source: U.S. Department of Commerce, Bureau of the Census.

Table 8

U.S. Exports by Principal Products, 1979-1983
 (Domestic exports, f.a.s.)
 (Millions of dollars)

	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>
TOTAL	178,798	216,672	228,961	207,158	195,969
Food and live animals	<u>22,251</u>	<u>27,744</u>	<u>30,291</u>	<u>23,950</u>	<u>24,166</u>
Wheat	5,264	6,375	7,844	6,676	6,235
Corn	7,022	8,570	8,014	5,683	6,480
Vegetables and fruit	2,130	2,930	3,314	2,716	2,444
Beverages and tobacco	<u>2,337</u>	<u>2,663</u>	<u>2,915</u>	<u>3,026</u>	<u>2,813</u>
Tobacco, unmanufactured	1,184	1,334	1,457	1,546	1,462
Crude Materials, inedible, except fuels	<u>20,756</u>	<u>23,791</u>	<u>20,993</u>	<u>19,248</u>	<u>18,596</u>
Soybeans	5,708	5,883	6,200	6,240	5,925
Cotton, raw, excl. linters	2,198	2,864	2,260	1,955	1,817
Logs and lumber	2,770	2,780	2,079	2,094	2,103
Ores and metal scrap	3,325	4,518	2,718	2,174	2,276
Mineral fuels, lubricants, and related materials	<u>5,620</u>	<u>7,982</u>	<u>10,279</u>	<u>12,729</u>	<u>9,500</u>
Coal, coke and briquettes	3,496	4,772	6,006	6,072	4,115
Animal and vegetable oils fats	<u>1,845</u>	<u>1,946</u>	<u>1,750</u>	<u>1,541</u>	<u>1,459</u>
Chemicals and related products, NSPF	<u>17,308</u>	<u>20,740</u>	<u>21,187</u>	<u>19,890</u>	<u>19,751</u>
Organic chemicals	5,055	5,697	5,929	5,440	5,326
Inorganic chemicals	2,649	2,938	3,274	3,101	3,051
Medicinals & pharmaceuticals	1,591	1,932	2,165	2,275	2,494
Plastics and resins	3,241	3,884	3,809	3,650	3,732
Manufactured goods classified chiefly by material	<u>16,235</u>	<u>22,255</u>	<u>20,633</u>	<u>16,739</u>	<u>14,852</u>
Paper & manufactures	1,967	2,831	2,961	2,653	2,553
Iron & steel mill products	2,227	2,998	2,801	2,101	1,415
Textiles other than clothing	3,189	3,632	3,619	2,784	2,368
Machinery and transport equip.	<u>70,495</u>	<u>84,628</u>	<u>95,736</u>	<u>87,148</u>	<u>82,578</u>
Aircraft & parts	9,719	12,816	14,738	11,775	12,189
Aircraft engines & part	1,423	1,915	2,349	2,570	2,788
Motor vehicles & parts	13,904	13,117	14,733	12,751	13,491
Auto engines & parts	1,631	1,687	1,975	1,956	2,082
Computers, parts	3,604	4,791	5,157	5,349	5,750
Mining, well-drilling mach.	2,263	3,140	4,073	4,905	2,911
Miscellaneous manufactured articles NSPF	<u>12,641</u>	<u>16,347</u>	<u>16,748</u>	<u>15,961</u>	<u>15,246</u>
Professional, scientific & controlling instruments NSPF	4,287	5,256	5,980	6,003	5,856
Photographic supplies	1,227	1,507	1,501	1,396	1,366
Printed Matter	956	1,097	1,297	1,341	1,324
Commodities and transactions not classified elsewhere	<u>9,103</u>	<u>8,496</u>	<u>8,428</u>	<u>6,924</u>	<u>7,009</u>

Note: Virgin Islands foreign trade excluded from commodity detail for 1979-1980.

Sources: U.S. Department of Commerce, Bureau of the Census.

Table 9
U.S. Imports by Principal Products, 1979-1983
(General imports, c.i.f.)
(Millions of dollars)

	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>
<u>TOTAL</u>	<u>222,228</u>	<u>256,984</u>	<u>273,352</u>	<u>254,884</u>	<u>269,878</u>
Food and live animals					
Fish, shell fish, & preparations	16,298	16,918	16,528	15,731	16,692
Coffee	2,769	2,740	3,108	3,292	3,764
Vegetables and fruit	3,953	4,024	2,770	2,888	2,731
Beverages and tobacco	2,821	3,027	3,418	3,666	3,710
Alcoholic beverages	2,222	2,430	2,625	2,757	2,876
Crude materials inedible, except fuels	11,412	11,276	12,052	9,302	10,272
Wood	3,028	2,215	2,114	1,800	2,816
Pulp	1,518	1,736	1,794	1,499	1,485
Metal ores, concentrates, and waste	3,572	4,072	4,242	2,999	2,735
Mineral fuels, lubricants, and related materials	63,800	82,364	84,441	67,657	60,215
Crude petroleum	49,024	64,633	64,319	47,446	38,184
Fuel oil	6,919	8,119	9,598	8,774	9,410
Gas, natural and manufactured	3,878	5,274	5,793	6,016	5,748
Animal and vegetable oils and fats	782	575	524	446	541
Chemicals and related products NSPF	7,892	9,011	9,882	9,934	11,305
Organic chemicals	2,303	2,688	3,129	3,109	3,646
Inorganic chemicals	2,154	2,414	2,455	2,740	2,678
Fertilizers	995	1,139	1,220	1,015	1,056
Manufactured goods classified chiefly by material	32,102	34,110	39,349	34,996	36,750
Paper and manufactures	3,484	3,697	3,974	3,954	4,362
Textiles other than clothing	2,399	2,676	3,250	3,000	3,460
Iron and steel mill prod.	7,479	7,439	11,234	9,918	6,919
Nonferrous metals	6,421	7,715	7,078	5,420	7,545
Machinery and transport equipment	56,436	63,260	72,185	75,723	88,928
Power generating mach.	3,587	3,943	4,681	4,621	5,384
Special purpose mach.	4,562	4,864	5,288	4,730	5,022
General industrial mach. & parts	3,802	4,150	5,066	5,033	5,037
Telecomm. apparatus	6,404	6,955	9,178	9,288	11,619
Electrical mach. & parts	6,812	8,311	9,431	10,525	12,828
Passenger cars, new	15,672	17,654	18,395	20,568	23,757
Auto parts	5,485	5,255	4,233	4,486	6,441
Miscellaneous manufactured goods, NSPF	22,334	24,992	27,579	29,630	33,637
Clothing	6,291	6,848	8,008	8,703	10,292
Footwear	3,066	2,990	3,215	3,671	4,291
Toys, sporting eqpt.	1,811	2,041	2,326	2,978	2,702
Commodities and Transactions not classified elsewhere	4,982	7,271	7,392	7,798	7,830

Note: Virgin Islands foreign trade excluded from commodity detail for 1979-1980.

Sources: U.S. Department of Commerce, Bureau of the Census.

Table 10

U.S. Exports of Selected Commodities with Greatest Value Changes, 1982-83¹
(Domestic exports, f.a.s.)
(Billions of dollars)

<u>Commodity</u>	<u>Value</u>		<u>Change in--</u>	
	<u>1982</u>	<u>1983</u>	<u>Value</u>	<u>Percent</u>
<u>Increases:</u>				
Passenger cars	\$2.9	\$4.3	\$1.3	+45.0
Parts for calculators, computers, and peripherals	4.0	5.0	1.0	+26.1
Corn	5.7	6.5	0.8	+14.0
Aircraft, equip. and parts, except engines	11.8	12.2	0.4	+3.5
Chemical materials and products	5.3	5.6	0.3	+5.4
Animal feedstuffs	2.5	2.8	0.3	+13.2
<u>Decreases:</u>				
Construction and mining equip. and parts	6.5	3.9	-2.6	-39.5
Lignite coal	6.0	4.1	-1.9	-32.3
Petroleum and products	6.0	4.6	-1.4	-23.3
Electric motors, generators and parts	1.3	0.9	-0.4	-27.7
Materials handling equip. and parts	1.6	1.0	-0.6	-40.1
Iron & steel tubes, pipes and fittings	1.2	0.7	-0.5	-42.3
Tractors, excl. truck tractors	1.3	0.8	-0.5	-40.0
Metal working machinery	1.6	1.1	-0.5	-30.0
Trucks, vans, pickups and special purpose vehicles	2.0	1.5	-0.5	-24.8
Oilseeds	6.8	6.3	-0.5	-7.2
Ships and floating structures	1.5	1.1	-0.4	-29.6
Textile yarns fabrics and products	2.8	2.4	-0.4	15.0
Heating and cooling equipment	2.5	1.9	-0.4	-18.0
Wheat	6.7	6.2	-0.4	-6.6
Agricultural machinery, excl. tractors	1.1	0.8	-0.3	-26.2
Non-electric machinery parts	1.8	1.5	-0.3	-16.0
Vegetables and fruits	2.7	2.4	-0.3	-9.9
Internal combustion piston engines	3.9	3.6	-0.3	-7.1

1/ Values may not add due to rounding.

Table 11

U.S. Imports of Selected Commodities with Greatest Value Changes, 1982-83¹
 (General imports, c.i.f.)
 (Billions of dollars)

<u>Commodity</u>	<u>Value</u>		<u>Change in--</u>	
	<u>1982</u>	<u>1983</u>	<u>Value</u>	<u>Percent</u>
<u>Increases:</u>				
Passenger cars	\$21.5	\$24.9	\$3.4	+15.9
Refined petroleum products	13.7	15.7	2.0	+14.5
Motor vehicle parts, excl. engines	4.5	6.5	2.0	+43.1
Parts for calculators, computers, and peripherals	1.6	2.8	1.2	+77.0
Silver and Platinum	1.3	2.7	1.4	+99.7
Telecommunications equipment and parts	4.3	5.5	1.1	+26.3
Wood, simply worked & railway ties	1.8	2.8	1.0	+56.9
Computers and peripherals	1.0	2.0	1.0	+95.9
Internal combustion piston engines	2.5	3.4	1.0	+39.1
Electronic tubes and components	4.6	5.4	0.9	+19.2
Outer garments, womens and girls	2.8	3.5	0.7	+24.3
Television recorders	1.1	1.7	0.6	+54.0
Footwear	3.7	4.3	0.6	+16.9
Iron and Steel sheets & plates	2.6	3.2	0.5	+20.4
Furniture parts	1.5	2.0	0.5	+34.1
Pearls, diamonds & other gems	2.4	2.8	0.5	+19.5
Crustaceans and molluscs	1.5	1.9	0.4	+27.1
Trucks, vans and pick-ups	4.2	4.6	0.4	+8.9
Household equipment	1.0	1.4	0.4	+36.3
Copper	1.0	1.4	0.4	+34.5
Paper and paperboard	3.6	3.9	0.3	+9.5
Aluminum	1.4	1.7	0.3	+22.3
Undergarments	1.4	1.7	0.3	+20.6
Ships and floating structures	0.3	0.6	0.3	+107.4
Artificial resins and plastics	0.8	1.1	0.3	+47.2
Radio receivers	2.0	2.3	0.3	+13.3
Television receivers	0.7	1.1	0.3	+30.0
<u>Decreases:</u>				
Crude oil	47.4	38.2	-9.3	-19.5
Iron and steel tubes, pipes & fittings	4.8	1.5	-3.3	-68.7
Aircraft, equip. and parts	2.8	2.1	-0.7	-26.1
Metal working machine tools	1.7	1.2	-0.5	-30.1
Toys, games and sporting goods	3.0	2.6	-0.3	-10.3
Watches and parts	1.1	0.7	-0.4	-35.0
Household stoves and other space heaters, non-electric	0.5	0.2	-0.3	-63.0
Gas, natural & manufactured	5.8	5.6	-0.3	-4.5
Copper, aluminum and other base metal ores	2.0	1.7	-0.3	-13.4

^{1/} Values may not add due to rounding.

Table 12

U.S. Trade by Selected End-Use Product Categories, 1980-1983
(General imports, c.i.f.; Domestic exports, f.a.s.)

Products	Exports*			Imports (Millions of dollars)			Share of 1983 Total (Percent)		
	1980	1981	1982	1983	1980	1981	1982	1983	Exports
Foods, Feeds, and Beverages	35.3	37.9	31.3	30.9	19.5	19.7	18.7	19.8	15.8
Industrial Supplies and Materials	70.5	67.7	61.7	56.7	137.4	140.7	116.9	111.9	28.9
Capital Goods, except Automotive Vehicles, Parts and Engines	72.6	80.2	72.7	67.2	30.8	35.5	36.3	42.1	34.3
Consumer Goods (nonfood), except Automotive	15.9	18.0	15.7	16.8	28.4	31.0	34.5	42.2	8.6
	16.2	15.8	14.3	13.4	36.2	40.6	41.9	47.6	6.8
									17.6

* Excludes special category exports.

Source: U.S. Department of Commerce, Bureau of the Census

Table 13

U.S. Trade in High Technology¹ and Non-High Technology Manufactures, 1970-1983
(General imports, c.i.f.; Domestic exports, f.a.s.)

	Value (Billions of dollars)			High Technology Share (In percent)		
	High Technology		Balance	Non-High Technology		Exports
	Exports 2/	Imports	Balance	Exports	Imports	Total U.S.
1970	10.3e	4.2e	6.1e	19.0e	22.8e	24.2e
1971	11.4e	4.9e	6.5e	19.0e	27.4e	26.2e
1972	11.9e	6.3e	5.6e	21.8e	33.7e	24.3e
1973	15.9e	7.9e	8.0e	28.8e	39.8e	22.6e
1974	21.5	9.8e	11.7e	42.0	49.7e	22.1
1975	22.9	9.5e	13.4e	48.1	45.5e	+2.6e
1976	25.6	13.2e	12.4e	51.6	56.4e	-4.8e
1977	27.3	15.3e	12.0e	52.9	66.6e	-13.7e
1978	33.9	20.1	13.8	60.6	86.7	-26.1
1979	42.3	22.5	19.8	74.3	96.3	-22.0
1980	53.2	27.7	25.5	90.7	103.8	-13.1
1981	58.5	33.5	25.0	95.8	115.5	-19.7
1982	56.2	34.2	22.0	83.5	116.1	-32.6
1983	57.9	40.9	17.0	74.5	129.7	-55.2
1982:	1	14.1	8.2	5.9	21.9	29.4
	2	14.5	8.5	6.0	23.1	30.6
	3	13.6	8.9	4.7	20.3	29.4
	4	14.0	8.5	5.5	18.2	26.8
1983	1	14.5	8.9	5.6	18.3	29.4
	2	14.6	9.5	5.1	19.5	32.6
	3	14.1	10.3	3.8	17.8	32.4
	4	14.7	12.1	2.6	19.0	35.5

1/ U.S. Dept. of Commerce DOC-3 definition.
2/ Excludes special category exports.
e: Estimated.

Source: U.S. Dept. of Commerce, Bureau of the Census.

Table 14

U.S. Trade in High Technology¹ Manufactures by, Product Group, 1980-1983
(General imports, c.i.f; Domestic exports, f.a.s.)
(Billions of dollars)

	Exports 2/				Imports			
	1980	1981	1982	1983	1980	1981	1982	1983
TOTAL HIGH TECHNOLOGY	53.2	58.5	56.2	57.9	27.7	33.5	34.2	40.9
Guided missiles and spacecraft	0.7	0.6	1.1	1.0	-	-	-	0.04
Communications equipment and electronic components	9.3	10.2	10.6	11.1	11.9	14.7	15.6	19.1
Aircraft, engines, & parts	14.4	16.7	13.9	14.4	2.7	3.7	3.3	2.7
Office, computing, and accounting machines	8.5	9.6	9.9	11.2	2.6	3.0	3.8	6.4
Ordinance and accessories	0.6	0.7	0.7	0.9	0.1	0.2	0.2	0.1
Drugs and medicines	2.0	2.2	2.3	2.5	1.0	1.1	1.1	1.3
Industrial inorganic chemicals	2.9	3.1	3.0	3.1	2.4	2.5	2.4	2.7
Professional and scientific instruments	6.4	6.9	6.8	6.7	4.8	5.7	5.5	6.1
Engines, turbines, and parts	3.6	3.8	3.6	3.0	1.7	1.9	1.6	1.5
Plastic materials; synthetic resins, rubber and fibers	4.8	4.8	4.2	4.0	0.6	0.8	0.6	1.0

1/ U.S. Dept. of Commerce DOC-3 definition.

2/ Excludes special category exports.

Source: U.S. Dept. of Commerce, Bureau of the Census.

Table 15

U.S. Trade in High Technology¹ Manufactures, by Major Trading Partner, 1980-1983
 (General imports, c.i.f.; Domestic exports, f.a.s.)
 (Billions of dollars)

	Exports 2/3/			Imports			Balance 2/					
	1980	1981	1982	1983	1980	1981	1982	1983	1980	1981	1982	1983
TOTAL	53.2	58.5	56.2	57.9	27.7	33.5	34.2	40.9	26.2	25.0	22.0	17.0
Developed Countries	29.9	32.7	30.5	33.1	19.1	23.5	23.5	27.0	10.8	9.2	7.0	6.1
Canada	5.2	6.4	5.7	6.3	2.8	3.6	3.4	3.5	2.4	2.8	2.3	2.8
Japan	4.0	4.7	4.6	5.4	7.8	10.6	11.1	14.3	-3.8	-5.9	-6.5	-8.9
EEC-7 ^{4/}	15.9	16.2	15.2	15.8	6.5	7.1	6.7	7.0	9.4	9.1	8.5	8.8
Other Developed	4.9	5.4	5.0	5.7	2.1	2.1	2.2	2.3	2.8	3.3	2.8	3.4
Developing Countries	20.0	22.0	20.7	20.2	8.6	9.9	10.6	13.9	11.4	12.1	10.1	6.3
OPEC	3.2	3.6	4.3	3.3	0.06	0.06	0.08	0.09	3.14	3.54	4.22	3.21
Saudi Arabia	1.1	1.4	1.5	1.4	(-)	(-)	(-)	(-)	1.1	1.4	1.5	1.4
LAFTA ^{5/}	5.7	6.5	4.5	4.0	1.7	2.0	2.0	2.5	4.0	4.5	2.5	1.5
Mexico	2.8	3.5	2.2	2.0	1.5	1.7	1.7	2.1	1.3	1.8	0.5	-0.1
Brazil	1.2	1.2	0.9	0.9	0.2	0.3	0.3	0.3	1.0	0.9	0.6	0.6
East Asia NICS ^{6/}	4.4	4.2	4.4	5.5	4.7	5.4	5.8	8.1	-0.3	-1.2	-1.4	-2.6
Other Developing	6.7	7.7	7.5	7.4	2.1	2.4	2.7	3.1	4.6	5.3	4.8	4.3
Centrally Planned Economies	0.9	1.0	0.7	0.8	0.1	0.1	0.1	0.1	0.8	0.9	0.6	0.7
USSR	0.05	0.06	0.05	0.07	0.05	0.02	0.01	0.01	0.0	0.04	0.04	0.06
China (Mainland)	0.7	0.8	0.6	0.6	0.03	0.04	0.06	0.06	0.67	0.76	0.54	0.54

1/ U.S. Department of Commerce, DOC-3 definition.

2/ Does not add to total due to unspecified countries.

3/ Excludes special category shipments.

4/ Belgium/Luxembourg, France, Germany, Italy, Netherlands, United Kingdom.

5/ Excludes Ecuador and Venezuela which are included in OPEC.

6/ Hong Kong, Republic of Korea, Singapore, China (Taiwan).

(-) Less than \$10 million.

Source: U.S. Department of Commerce, Bureau of the Census.

Table 16

U.S. Imports of Petroleum and Petroleum Products, 1970-1983
(General imports, c.i.f.)

	Crude Oil			Petroleum Products (Billions of dollars)	Total (Billions of dollars)
	Value (Billions of dollars)	Barrels (millions)	Price (\$ per barrel)		
1970	1.4e	545	2.57e	1.7e	3.1e
1971	1.8e	676	2.66e	2.1e	3.9e
1972	2.5e	901	2.77e	2.4e	4.9e
1973	4.5e	1,294	3.48e	4.4e	8.9e
1974	16.6	1,367	12.14	12.1	28.7
1975	19.8	1,585	12.49	9.3	29.1
1976	27.5	2,050	13.41	9.9	37.4
1977	35.7	2,533	14.09	12.4	48.1
1978	34.3	2,392	14.34	10.5	44.8
1979	49.0	2,467	19.86	14.4	63.4
1980	64.6	2,092	30.88	17.4	82.0
1981	64.3	1,763	36.47	15.4	79.7
1982	47.4	1,421	33.86	15.3	62.7
1983	38.2	1,294	29.52	17.1	55.3
1982:					
1	12.9	366	35.25	3.9	16.8
2	10.1	309	32.69	3.2	13.3
3	13.0	395	32.91	4.0	17.0
4	11.5	363	32.58	4.1	15.6
1983	1	8.0	254	31.50	3.4
	2	8.7	302	28.81	4.2
	3	11.4	392	29.08	4.8
	4	10.1	346	29.19	4.7

e: Estimated.

Source: U.S. Department of Commerce, Bureau of the Census.

Table 17

Top Ten U.S. Trading Partners in 1983
(General imports, c.i.f.; Domestic exports, f.a.s.)

Country	Exports		Imports		Percent of 1983 Total
	Value (\$Billions) 1980	1983	Value (\$Billions) 1980	1983	
Canada	34.0	36.5	18.6	42.0	19.5
Japan	20.5	21.2	10.8	33.0	16.2
United Kingdom	12.3	10.1	5.2	12.8	6.3
Mexico	14.9	8.8	4.5	12.3	4.9
West Germany	10.6	8.2	4.2	10.3	4.8
Netherlands	8.5	7.6	3.9	7.4	4.5
Saudi Arabia	5.3	6.5	3.3	4.4	2.9
France	7.3	5.8	3.0	5.0	2.5
Republic of Korea	4.4	5.7	2.9	5.5	2.3
Belgium/Luxembourg	6.4	4.9	2.5	4.7	2.1

*Excludes special category shipments.

Source: U.S. Department of Commerce, Bureau of the Census

Table 18

U.S. Merchandise Trade with Canada, 1970-1983
 (General imports, c.i.f.; Domestic exports, f.a.s.)
 (Billions of dollars)

	Exports						Imports						Balance			
	Manufactures*			Manufactures			Manufactures			Manufactures			Manufactures		Manufactures	
	Total	High	Auto-motive	Total	High	Auto-motive	Total	High	Auto-motive	Total	High	Auto-motive	Total	High	Auto-motive	
1970	8.8	7.1	1.4e	2.5	11.8e	7.7e	0.5e	3.8e	-3.0e	-0.6e	0.9e	-1.3e				
1971	10.1	8.4	1.6e	3.3	13.5e	9.0e	0.7e	4.9e	-3.4e	-0.6e	0.9e	-1.6e				
1972	12.1	10.1	1.8e	4.0	15.8e	10.3e	0.7e	5.6e	-3.7e	-0.2e	1.1e	-1.6e				
1973	14.8	12.5	2.3e	4.8	18.8e	11.8e	0.8e	6.2e	-4.0e	-0.7e	1.5e	-1.4e				
1974	19.6	16.5	2.8e	5.9	23.0	13.1	0.9e	6.2	-3.4	+3.4	1.9e	-0.3				
1975	21.4	17.9	2.9e	6.7	22.8	13.1	0.9e	6.4	-1.4	+4.8	2.0e	+0.3				
1976	23.6	19.7	3.1e	7.7	27.6	16.8	1.3e	8.7	-4.0	+2.9	1.8e	-1.0				
1977	25.0	20.9	3.4e	8.6	30.6	19.2	1.4e	9.9	-5.6	+1.7	2.0e	-1.3				
1978	27.6	22.8	3.8	9.1	34.6	22.3	1.7	11.0	-7.0	+0.5	2.1	-1.9				
1979	32.1	25.8	4.6	9.9	39.0	23.9	2.1	9.9	-6.9	+1.9	2.5	0.0				
1980	34.1	26.3	5.2	8.7	42.0	24.9	2.8	8.7	-7.9	+1.4	2.4	0.0				
1981	38.3	30.6	6.4	10.1	46.8	28.5	3.6	10.4	-8.5	+2.1	2.8	-0.3				
1982	32.5	26.0	5.7	9.3	46.8	28.9	3.4	13.0	-14.3	-2.9	2.3	-3.7				
1983	36.9	29.8	6.3	12.2	52.5	33.2	3.5	16.6	-15.6	-3.4	2.8	-4.4				
1982:	1	8.1	6.8	1.5	2.2	11.3	6.9	0.8	2.9	-3.2	-0.1	0.7	-0.7			
2	8.9	7.1	1.4	2.8	12.3	8.2	0.9	4.0	-3.4	-1.1	0.5	-1.2				
3	7.9	6.1	1.4	2.2	11.6	6.9	0.8	3.1	-3.7	-0.8	0.6	-0.9				
4	7.7	5.8	1.4	1.9	11.6	6.9	0.9	2.9	-3.9	-1.1	0.5	-1.0				
1983:	1	8.6	7.1	1.6	2.8	12.2	7.4	0.8	3.7	-3.6	-0.3	0.8	-0.9			
2	9.7	7.9	1.5	3.4	13.6	8.7	0.8	4.6	-3.9	-0.8	0.7	-1.2				
3	8.8	6.8	1.5	2.6	12.4	7.5	0.9	3.4	-3.6	-0.7	0.6	-0.8				
4	9.9	8.0	1.7	3.4	14.3	9.6	1.0	5.0	-4.4	-1.6	0.7	-1.6				

* Excludes special category exports.
 e: Estimated.

Source: U.S. Department of Commerce, Bureau of the Census.

Table 19

U.S. Merchandise Trade with Japan, 1970-1983
 (General imports, c.i.f.; Domestic exports, f.a.s.)
 (Billions of dollars)

	Exports			Imports			Balance		
	Manufactures*		Total	Manufactures		Total	Manufactures		Total
	Agri-culture*	Total	High Tech.	Total	High Tech.	Total	High Tech.	Total	High Tech.
1970	4.6	1.2	2.0	0.9e	6.2e	5.9e	1.5e	0.7e	-1.6e
1971	4.0	1.1	1.9	0.9e	7.7e	7.4e	1.8e	1.3e	-3.7e
1972	4.9	1.4	2.2	1.0e	9.6e	9.2e	2.3e	1.7e	-4.7e
1973	8.2	3.0	3.1	1.3e	10.2e	9.8e	2.7e	2.0e	-2.0e
1974	10.6	3.5	4.0	1.9e	13.5	12.9	2.9e	3.0	-2.9
1975	9.4	3.1	3.2	1.4e	12.3	11.9	2.7e	2.9	-2.9
1976	10.0	3.6	3.7	1.6e	16.9	16.4	4.5e	5.2	-6.9
1977	10.4	3.9	3.7	1.8e	20.2	19.7	5.2e	5.9	-9.8
1978	12.7	4.4	4.8	2.3	26.5	25.9	7.0	8.8	-13.8
1979	17.4	5.3	7.0	3.3	28.2	27.5	6.8	10.0	-10.8
1980	20.6	6.1	8.6	4.0	33.0	32.1	7.8	12.4	-12.4
1981	21.5	6.6	9.5	4.7	39.9	39.2	10.6	14.0	-18.4
1982	20.7	5.5	9.4	4.6	39.9	39.1	11.1	13.9	-19.2
1983	21.5	6.2	10.1	5.4	43.6	42.7	14.3	16.0	-22.1
1982:	1	5.3	1.4	2.3	1.1	10.6	10.4	2.8	3.6
	2	5.0	1.4	2.3	1.1	10.2	10.0	2.7	3.5
	3	5.0	1.1	2.3	1.2	10.2	10.0	2.9	3.5
	4	5.4	1.6	2.5	1.3	8.9	8.8	2.7	3.2
1983:	1	4.7	1.4	2.2	1.1	9.8	9.6	3.0	3.7
	2	5.2	1.4	2.5	1.4	10.4	10.2	3.4	4.0
	3	5.5	1.5	2.5	1.3	10.7	10.5	3.6	3.8
	4	6.1	2.0	2.9	1.7	12.7	12.4	4.3	4.5

* Excludes special category.
 e: Estimated.

Source: U.S. Department of Commerce, Bureau of the Census.

Table 20
 U.S. Merchandise Trade with the EEC-7¹, 1970-1983
 (General imports, c.i.f.; Domestic exports, f.a.s.)
 (Billions of dollars)

	Exports				Imports				Balance		
			Manufactures ^{2/}				Manufactures				
	Total	Agri-culture ^{2/}	Total	High Tech.	Total	Total	High Tech.	Total	Total	High Tech.	
1970	10.8	2.0	7.3	3.4e	9.3e	7.9e	1.1e	1.5	-0.6	2.3e	
1971	10.6	2.3	6.8	3.4e	10.6e	9.1e	1.2e	0.0	-2.3	2.2e	
1972	11.3	2.6	7.3	3.5e	12.7e	11.0e	1.5e	-1.4	-3.7	2.0e	
1973	15.8	4.3	9.7	4.6e	15.7e	12.8e	1.9e	0.1	-3.1	2.7e	
1974	21.0	5.4	12.9	6.0e	19.8	16.4	2.3e	1.2	-3.5	3.7e	
1975	21.8	5.4	13.2	6.1e	17.2	14.5	2.3e	4.6	-1.3	3.8e	
1976	24.2	6.3	14.6	6.8e	18.2	15.4	2.7e	6.0	-0.8	4.1e	
1977	25.0	6.4	15.4	7.5e	22.7	18.6e	3.1e	2.3	-3.2	4.4e	
1978	30.3	6.9	19.2	9.4	29.9	24.9	4.1	0.4	-5.7	5.3	
1979	40.3	7.4	24.9	12.1	34.4	28.1	4.7	5.9	-3.2	7.4	
1980	51.0	8.7	33.5	15.9	36.7	30.0	6.5	14.3	3.5	9.4	
1981	48.8	8.7	31.0	16.2	41.8	31.2	7.1	7.0	-0.2	9.1	
1982	44.3	7.8	28.6	15.2	42.7	31.1	6.7	1.6	-2.5	8.5	
1983	40.9	6.9	27.8	15.8	43.9	33.1	7.0	-3.0	-5.3	8.8	
1982:	1	11.7	2.2	7.3	3.8	10.1	1.7	1.6	-0.6	2.1	
	2	11.9	2.1	7.8	3.9	11.0	8.3	0.9	-0.5	2.2	
	3	10.1	1.3	6.8	3.7	10.7	7.5	-0.6	-0.7	2.0	
	4	10.6	2.1	6.7	3.7	10.9	7.3	-0.3	-0.6	2.1	
1983:	1	11.1	2.0	7.3	4.2	10.1	1.8	1.0	-0.5	2.4	
	2	10.3	1.5	7.1	4.0	11.1	8.4	-0.8	-1.3	2.4	
	3	9.3	1.4	6.5	3.7	11.4	8.4	-2.1	-1.9	2.0	
	4	10.2	1.9	6.9	3.9	11.2	8.5	-1.0	-1.6	2.1	

1/ Belgium/Luxembourg, France, Germany, Italy, Netherlands, United Kingdom.

2/ Excludes special category shipments.

e: Estimated.

Source: U.S. Department of Commerce, Bureau of Census.

Table 21
 U.S. Merchandise Trade with LAFTA Countries, 1977-1983
 (General imports, c.i.f.; Domestic exports, f.a.s.)
 (Millions of dollars)

	<u>Total Six Countries</u>	<u>Mexico</u>	<u>Venezuela</u>	<u>Brazil</u>	<u>Argentina</u>	<u>Chile</u>	<u>Peru</u>
Exports:							
1977	11,985	4,733	3,128	2,411	712	507	494
1978	15,223	6,542	3,693	2,953	824	714	497
1979	20,356	9,667	3,899	3,407	1,786	880	717
1980	28,656	14,885	4,513	4,306	2,452	1,339	1,161
1981	31,520	17,360	5,367	3,753	2,131	1,440	1,469
1982	22,864	11,104	5,086	3,380	1,270	918	1,106
1983	16,598	8,758	2,758	2,528	939	722	893
Imports:							
1977	12,717	4,769	4,285	2,384	431	303	545
1978	14,698	6,197	3,738	3,029	619	421	694
1979	20,178	8,983	5,452	3,383	636	482	1,242
1980	25,200	12,835	5,571	4,000	792	559	1,443
1981	27,817	14,013	5,800	4,852	1,214	661	1,277
1982	28,471	15,770	4,957	4,643	1,222	729	1,150
1983	30,768	17,019	5,173	5,381	938	1,053	1,204
Balance:							
1977	-732	-36	-1157	27	281	204	-51
1978	525	345	-45	-76	205	293	-197
1979	178	684	-1,553	24	1,150	398	-525
1980	3,456	2,050	-1,058	306	1,660	780	-282
1981	3,703	3,347	-433	-1,099	917	779	192
1982	-5,607	-4,666	129	-1,263	48	189	-44
1983	-14,170	-8,261	-2,415	-2,853	1	-331	-311

Note: Virgin Islands foreign trade is included in 1981-1983.

Source: U.S. Department of Commerce, Bureau of the Census.

Table 22

U.S. Merchandise Trade with East Asia NIC's¹ 1973-1983
 (General imports, c.i.f.; Domestic exports, f.a.s.)
 (Billions of dollars)

	Exports		Imports		Balance	
	Manufactures ² /		Manufactures		Manufactures	
	Total	High Tech.	Total	Textiles, Apparel	Total	High Tech.
1973	3.8	2.1	4.9e	4.6e	1.4e	1.3e
1974	4.8	2.9	1.2e	6.3	5.8e	1.5e
1975	5.2	3.0	1.3e	6.0	5.4e	1.8e
1976	5.7	3.4	1.6e	9.3	8.6e	2.7e
1977	6.6	3.7	2.0e	11.3	10.5e	3.0e
1978	8.5	4.9	2.4	14.7	13.8	4.1
1979	11.7	5.1	3.6	16.6	15.6	4.2
1980	14.5	9.2	4.4	18.8	17.8	4.8
1981	14.8	9.2	4.2	22.1	20.9	5.6
1982	15.3	9.7	4.4	23.8	22.7	6.0
1983	16.6	10.3	5.5	29.6	28.3	6.9
1982:	1	3.6	2.4	1.0	5.3	5.0
2		3.9	2.4	1.1	5.8	5.5
3		3.9	2.5	1.2	6.7	6.6
4		3.9	2.4	1.1	6.0	5.5
1983:	1	3.8	2.3	1.2	6.2	5.9
2		5.0	2.8	1.6	6.9	6.5
3		4.0	2.5	1.3	8.1	7.8
4		4.3	2.7	1.4	8.4	8.1

¹/ Hong Kong, Republic of Korea, Singapore, China (Taiwan)

²/ Excludes special category shipments.

e: Estimated

Source: U.S. Department of Commerce, Bureau of the Census

Table 23
 U.S. Manufactures Trade: Prices and Volume, 1970-1983
 (1982 = 100)

	<u>Prices (UVI's)</u>		<u>Volume</u>	
	<u>Exports</u>	<u>Imports</u>	<u>Exports</u>	<u>Imports</u>
1970	34.7	33.8	60.5	53.2
1971	N.A.	N.A.	N.A.	N.A.
1972	N.A.	N.A.	N.A.	N.A.
1973	N.A.	N.A.	N.A.	N.A.
1974	N.A.	N.A.	N.A.	N.A.
1975	54.7	63.5	92.7	55.9
1976	58.5	64.0	94.4	70.3
1977	61.4	67.8	93.3	78.5
1978	65.9	76.4	102.6	91.2
1979	74.1	86.1	112.7	90.5
1980	84.5	95.3	122.0	91.2
1981	94.7	98.6	116.7	100.4
1982	100.0	100.0	100.0	100.0
1983	101.5	97.7	93.3	116.2
1982:	1	101.0	102.5	99.5
	2	100.5	102.2	100.8
	3	99.9	102.2	103.6
	4	100.7	91.2	95.9
1983:	1	102.5	92.3	106.2
	2	101.5	91.5	112.6
	3	101.1	93.9	117.3
	4	101.1	95.7	116.2

Source: International Economic Indicators, U.S. Department of Commerce

Table 24

World Trade of Selected Countries and Areas, 1980-1982
(Imports, c.i.f.; Exports f.o.b.)
(Billions of dollars)

	1980			1981			1982		
	Exports	Imports	Balance	Exports	Imports	Balance	Exports	Imports	Balance
<u>WORLD TOTAL</u>									
Developed Countries	1,257.0	1,417.1	-160.1	1,233.1	1,345.2	-112.1	1,168.9	1,260.7	-91.8
United States	216.7	257.0	-40.3	229.0	273.4	-44.4	207.1	254.9	-47.8
Canada	65.1	59.2	5.9	70.0	66.2	3.8	68.5	55.1	13.4
Japan	129.8	140.5	-10.7	152.0	143.3	8.7	138.9	131.9	7.0
EEC-7 ^{1/}	624.7	681.0	-56.3	573.7	601.7	-28.0	552.7	572.1	-19.4
Other Developed	220.7	279.4	-58.7	208.4	260.6	-52.2	201.7	246.7	-45.0
Developing Countries	560.4	452.1	108.3	554.0	501.7	52.3	490.1	477.9	12.2
OPEC	303.8	124.9	178.9	281.2	147.0	134.3	224.0	150.6	73.3
Saudi Arabia	109.1	30.2	78.9	120.2	35.2	85.0	79.1	40.7	38.5
LAFTA ^{2/}	58.3	72.3	-14.0	73.0	70.5	2.5	61.1	59.1	2.0
Mexico	15.3	19.4	-4.1	20.0	24.2	-4.1	21.0	15.0	6.0
Brazil	20.2	25.0	-4.8	22.9	24.3	-1.4	19.6	21.9	-2.3
East Asia NIC's ^{3/}	76.4	88.0	-11.6	86.6	99.6	-13.0	85.9	95.0	-9.1
Other Developing	121.9	166.9	-45.0	113.2	184.6	-71.4	119.1	173.2	-54.1
Centrally Planned Economies	176.9	185.3	-8.4	182.1	187.9	-5.8	190.2	186.0	4.2
USSR	76.4	68.5	7.9	79.0	73.0	6.0	86.9	77.8	9.2
China (Mainland)	18.3	19.6	-1.3	21.6	21.6	-0	21.9	18.9	3.0

^{1/} Belgium/Luxembourg, France, Germany, Italy, Netherlands, United Kingdom.

^{2/} Other than Ecuador and Venezuela which are included in OPEC.

^{3/} Hong Kong, Republic of Korea, Singapore, China (Taiwan).

Source: International Financial Statistics, International Monetary Fund.

Table 25

World Manufactures Trade of Selected Countries and Areas, 1978-1982
 (Imports, c.i.f.; Exports, f.o.b.)
 (Billions of dollars)

	1978		1980		1981		1982	
	Exports	Imports	Exports	Imports	Exports	Imports	Exports	Imports
<u>WORLD TOTAL</u>	<u>809.2</u>	—	<u>1,139.6</u>	—	<u>1,126.7</u>	—	N.A.	—
Developed Countries, total	669.1	521.0	936.6	741.3	912.1	695.7	865.8	N.A.
U.S.	94.5	100.3	143.9	125.1	154.3	142.5	139.7	144.0
Canada	26.2	30.4	34.4	35.6	38.2	41.7	38.6	N.A.
Japan	94.2	17.6	124.6	27.2	146.8	28.5	134.2	N.A.
Europe	444.2	351.0	618.4	520.7	557.9	445.6	538.7	N.A.
Developing Countries	69.5	204.2	111.1	293.4	124.2	321.9	N.A.	N.A.
Centrally Planned Economies	70.6	80.0	91.9	103.0	90.4	95.9	N.A.	N.A.

Note: World exports (f.o.b.) to each country or region were used as a proxy for imports. For U.S. imports however, f.a.s. import data were used. These U.S. data will differ from the c.i.f. data used in other tables.

Source: U.N. Monthly Bulletin of Statistics, United Nations; U.S. Department of Commerce, Bureau of the Census.

Table 26

Manufactures Trade of Selected Countries, 1970-1983
(Imports, c.i.f.¹ Exports, f.o.b.)
(Billions of dollars)

Exports	Canada			Japan			EEC-7 ²		
	Imports	Exports	Balance	Imports	Exports	Balance	Imports	Exports	Balance
1970	9.7	10.7	-1.0	18.1	5.6	12.5	85.1	62.7	22.4
1971	10.4	12.5	-2.1	22.6	5.5	17.1	97.4	69.6	27.8
1972	11.7	15.3	-5.9	27.1	6.8	20.3	116.9	84.8	32.1
1973	13.7	18.6	-4.9	34.8	11.5	23.3	157.8	117.4	40.4
1974	16.5	24.6	-8.1	52.5	14.5	38.0	203.7	146.1	57.6
1975	16.7	25.4	-8.7	53.2	11.5	41.7	217.2	152.7	64.5
1976	20.6	28.7	-8.1	64.6	13.4	51.2	241.8	178.3	63.5
1977	23.1	30.4	-7.3	77.7	14.7	63.0	281.5	205.8	75.7
1978	27.1	33.7	-6.6	94.2	20.0	74.2	341.9	258.3	83.6
1979	30.2	40.6	-10.4	99.1	27.1	72.0	419.1	331.8	87.3
1980	33.9	42.0	-8.1	124.4	30.7	93.7	474.4	384.8	89.6
1981	37.6	48.1	-10.5	146.9	31.3	115.6	422.8	324.7	98.1
1982	38.0	41.1	-3.1	134.3	30.3	104.0	376.0	283.0	93.0
1983	N.A.	N.A.	N.A.						

1/ Except Canada whose imports are f.o.b.
2/ Belgium/Luxembourg, France, Germany, Italy, Netherlands, United Kingdom

Source: International Economic Indicators, U.S. Department of Commerce.

Table 27
 Volume of Manufactures Trade of Selected Countries, 1979-1983
 (1982 = 100)

	Canada		Japan		EEC-7*	
	Exports	Imports	Exports	Imports	Exports	Imports
1979	96.2	126.7	79.1	90.6	98.0	N.A.
1980	93.5	116.4	92.2	88.3	99.0	N.A.
1981	98.9	120.5	102.2	99.3	102.0	N.A.
1982	100.0	100.0	100.0	100.0	100.0	N.A.
1983	108.6e	112.3e	101.9e	93.8e	N.A.	N.A.
1981: 4	101.1	117.1	106.4	108.0	110.0	N.A.
1982: 1	95.8	104.8	96.5	104.7	102.0	N.A.
2	112.2	109.6	99.3	102.8	104.0	N.A.
3	96.6	93.2	100.1	93.4	93.0	N.A.
4	95.0	91.1	102.0	89.7	105.0	N.A.
1983: 1	100.0	103.4	96.9	86.2	100.0	N.A.
2	117.2	121.2	106.9	101.6	103.0	N.A.
3	N.A.	N.A.	N.A.	N.A.	108.0	N.A.
4	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

e: Estimated

* Belgium/Luxembourg, France, Germany, Italy, Netherlands, United Kingdom; Estimate includes Denmark and Ireland.

Source: U.N. Monthly Bulletin of Statistics; United Nations; International Economic Indicators, U.S. Department of Commerce.

Table 28
 High Technology ¹ Exports of Selected Countries, 1970-1983
 (Exports, f.o.b. ² Billion of dollars)

	<u>United States</u>	<u>Canada</u>	<u>Japan</u>	<u>EEC-7</u> ³ /
1970	10.3	1.5	4.0	16.3
1971	10.4	1.6	4.9	18.6
1972	11.9	1.9	6.2	22.4
1973	15.9	2.0	7.9	30.3
1974	21.5	2.4	9.8	39.4
1975	22.9	2.5	10.1	41.8
1976	25.6	3.1	14.5	48.1
1977	27.3	3.3	17.3	55.0
1978	33.9	3.8	22.0	67.5
1979	42.3	5.0	24.1	84.6
1980	53.2	6.0	30.5	99.0
1981	58.5	7.2	37.7	90.2
1982	56.2	6.8	34.8	91.7e
1983	57.9	N.A.	N.A.	N.A.

¹/ U.S. Department of Commerce, DOC-3 definition.

²/ Except for U.S. exports which are f.a.s.

³/ Belgium/Luxembourg, France, Germany, Italy, Netherlands, United Kingdom.

N.A.: Not available.

e: Estimate.

Source: U.S. Dept. of Commerce, United Nations.

Table 29

Shares of Industrial Countries' Manufactures Exports, Total and High Technology, 1970-1983¹
(In percent)

	United States			Canada			Japan			EEC-7 2/		
	Total	High Tech.		Total	High Tech.		Total	High Tech.		Total	High Tech.	
		High.	Tech.		High.	Tech.		High.	Tech.		High.	Tech.
1970	21.3	32.2		1.8	1.5		8.9	7.9		57.1e	49.2	
1971	19.6	31.2		1.4	1.3		9.9	8.4		58.6	50.0	
1972	18.3	28.2		1.3	1.3		10.2	9.6		59.5	51.6	
1973	17.9	27.9		1.1	1.0		10.4	9.7		59.6	51.8	
1974	18.7	28.6		1.1	1.0		11.9	9.8		57.6	51.3	
1975	19.1	28.4		1.1	1.0		11.4	9.6		57.5	51.3	
1976	18.8	27.7		1.1	1.0		12.0	11.1		57.5	51.0	
1977	17.3	26.1		1.0	0.9		12.6	12.0		58.6	51.8	
1978	17.0	26.0		1.0	0.9		12.4	12.5		58.9	51.2	
1979	17.3	26.1		1.0	1.1		10.8	11.6		60.3	52.3	
1980	18.3	27.2		1.2	1.2		11.9	12.5		58.5	50.8	
1981	20.6	30.3e		1.2	1.3e		14.5	14.7e		53.9	45.2e	
1982	19.8	29.6e		1.2	1.2e		13.9	13.8e		55.2	47.0e	
1983	N.A.	N.A.		N.A.	N.A.		N.A.	N.A.		N.A.	N.A.	
1982:	1	19.4	N.A.	1.2	N.A.		14.5	N.A.		55.1	N.A.	
	2	19.8	N.A.	1.2	N.A.		13.5	N.A.		55.5	N.A.	
	3	20.7	N.A.	1.3	N.A.		13.7	N.A.		54.5	N.A.	
	4	19.3	N.A.	1.2	N.A.		13.9	N.A.		55.7	N.A.	
1983:	1	18.9	N.A.	1.0	N.A.		14.5	N.A.		55.8	N.A.	
	2	19.0	N.A.	1.1	N.A.		14.4	N.A.		55.4	N.A.	
	3	N.A.	N.A.	N.A.	N.A.		N.A.	N.A.		N.A.	N.A.	
	4	N.A.	N.A.	N.A.	N.A.		N.A.	N.A.		N.A.	N.A.	

1/ Based on exports of 15 major industrial free-world countries, excluding shipments to the United States; quarterly data are seasonally adjusted.

2/ Belgium/Luxembourg, France, Germany, Italy, Netherlands, United Kingdom.

e: Estimate.

N.A.: Not Available.

Source: U.S. Department of Commerce.

Table 30

Unit Values of Manufactures Exports for Selected Countries, 1979-1983
(1982 = 100)

	United States	In U.S. Dollars			United States EEC-7 1/	In National Currencies			Average EEC-7 3/
		Canada	Japan	Average EEC-7 1/		United States 2/	Canada	Japan	
1979	73.7	82.6	93.5	106.0	61.6	78.4	82.2	77.0	
1980	84.0	95.3	100.9	118.0	70.1	90.2	91.9	84.0	
1981	94.1	100.1	107.1	102.0	85.7	97.2	94.8	89.0	
1982	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	
1983	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	
1982: 1	100.4	101.9	105.1	102.0	95.7	99.9	98.5	96.0	
2	99.9	97.6	100.0	101.0	98.8	98.4	98.0	99.0	
3	99.4	99.1	97.8	98.0	101.9	100.3	101.5	101.0	
4	100.2	101.7	96.5	96.0	103.7	101.5	100.6	101.0	
1983: 1	102.0	100.3	99.3	99.0	102.7	99.8	94.0	104.0	
2	100.9	99.4	97.7	96.0	103.1	99.1	93.2	104.0	
3	100.6	N.A.	N.A.	93.0	105.7	N.A.	N.A.	106.0	
4	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	

1/ Belgium/Luxembourg, France, Germany, Italy, Netherlands, United Kingdom.

2/ U.S. dollar UVI deflated by a trade-weighted exchange rate indexes covering 14 major industrial countries.

3/ Average EEC-7 UVI deflated by a trade-weighted exchange rate index for the EEC-7.

Source: U.N. Monthly Bulletin of Statistics, United Nations; International Economic Indicators, U.S. Department of Commerce.

Table 31

World Crude Steel Output by Major Producer, 1970-1983
(Millions of metric tons)

Producer	<u>1970</u>	<u>1975</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>
<u>WORLD TOTAL</u>	<u>595.4</u>	<u>645.6</u>	<u>674.1</u>	<u>717.2</u>	<u>748.0</u>	<u>717.1</u>	<u>707.1</u>	<u>645.2</u>	<u>N.A.</u>
North America									
United States	130.5	118.8	127.3	138.9	139.8	117.4	124.3	78.6	88.3
United States	119.3	105.8	113.7	124.0	123.7	101.5	109.6	66.7	75.5
Latin America 1/	13.2	18.6	21.9	24.3	27.4	29.0	27.3	27.1	28.9e
Western Europe	161.5	154.9	155.5	163.6	174.0	161.6	158.8	144.0	141.0e
EEC-7	137.0	124.6	125.4	131.6	139.4	127.0	125.7	110.2	107.9
F.R. of Germany	45.0	40.4	39.0	41.3	46.0	43.8	41.6	35.9	35.7
Eastern Europe	40.1	51.3	57.5	59.5	60.4	61.2	57.6	56.5	N.A.
U.S.S.R.	115.9	141.3	146.7	151.4	149.1	147.9	148.5	147.5	N.A.
Asia									
Japan	121.4	143.7	147.8	159.4	175.7	178.8	169.2	171.4	N.A.
China (Mainland)	93.3	102.3	102.4	102.1	111.7	111.4	101.7	99.5	97.2
China (Mainland)	18.0e	26.0e	23.4e	31.8	34.5	37.1	35.6	37.0	N.A.

1/ Including Mexico.

e - Estimated.

Source: American Iron and Steel Institute.

Table 32
 World Motor Vehicle Output by Major Producer, 1970-1983
 (Thousands of units)

<u>Producer</u>	<u>1970</u>	<u>1975</u>	<u>1977</u>	<u>1978</u>	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>
<u>WORLD TOTAL*</u>	<u>29,628</u>	<u>33,250</u>	<u>41,161</u>	<u>42,612</u>	<u>41,848</u>	<u>38,708</u>	<u>37,462</u>	<u>36,295</u>
North America	9,639	10,771	14,759	15,102	13,556	9,874	9,863	8,735
United States	8,284	8,987	12,703	12,899	11,480	8,010	7,943	6,986
Canada	1,160	1,424	1,775	1,818	1,632	1,374	1,323	1,276
Mexico	193	361	281	384	444	490	597	473
Western Europe	11,668	10,565	12,671	12,716	12,776	11,938	11,088	11,533
Germany	3,842	3,186	4,104	4,186	4,249	3,879	3,897	4,063
France	2,750	2,861	3,508	3,508	3,613	3,378	3,019	3,148
Italy	1,854	1,459	1,584	1,656	1,632	1,612	1,434	1,453
United Kingdom	2,098	1,648	1,714	1,607	1,479	1,313	1,184	1,156
Spain	536	814	1,130	1,144	1,123	1,182	987	1,070
Sweden	311	367	287	306	355	298	314	349
Eastern Europe	1,495	2,836	3,136	3,305	3,387	3,377	3,235	3,150
Asia	5,401	7,052	8,687	9,524	9,941	11,279	11,463	11,048
Japan	5,289	6,942	8,515	9,269	9,635	11,043	11,180	10,732
Korea	29	36	83	156	204	123	134	163
Australia	474	456	453	385	461	364	392	409
South America	636	1,181	1,176	1,257	1,394	1,454	952	993
Brazil	416	930	919	1,062	1,128	1,165	780	861
Argentina	220	251	257	195	266	289	172	132

* China (Mainland) is included in the total but not in any of the regional groups listed above.
 Source: Motor Vehicle Manufacturers Association.

Table 33

Gross National Product of Selected Countries, 1970-1983
(In national currencies, 1982 = 100)

	United States		Canada		Japan		EEC-7*	
	Nominal	Real	Nominal	Real	Nominal	Real	Nominal	Real
1970	32.3	73.1	24.1	67.5	27.7	58.0	26.9	75.5
1971	35.1	75.6	26.3	72.1	30.7	60.7	30.3	77.9
1972	38.6	79.8	29.4	76.6	34.9	66.1	33.5	81.0
1973	43.2	84.4	34.7	82.3	46.2	72.0	37.9	85.8
1974	46.7	83.9	41.2	85.3	50.8	71.1	42.6	87.5
1975	50.4	82.9	46.2	86.3	56.1	72.8	47.3	86.6
1976	55.9	87.4	53.5	92.0	62.9	76.6	53.4	90.5
1977	62.4	92.2	58.8	93.8	69.7	80.7	59.4	92.9
1978	70.4	96.9	65.0	97.1	76.9	84.8	64.8	96.1
1979	78.7	99.6	74.0	100.2	83.0	89.3	74.6	99.1
1980	85.7	99.3	83.1	101.2	89.4	93.5	84.0	100.5
1981	96.1	101.9	95.0	104.7	95.1	97.1	91.3	99.5
1982	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1983	107.7	103.4	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
1982:	1	98.3	100.0	98.6	101.7	97.7	97.3	99.9
	2	99.9	100.3	98.9	100.2	99.6	99.0	99.4
	3	100.6	100.0	100.6	99.4	101.5	100.8	100.0
	4	101.2	99.7	101.4	98.7	101.1	101.2	100.6
1983:	1	103.2	100.3	105.0	100.3	102.3	101.4	N.A.
	2	106.5	102.7	107.6	102.2	103.0	102.3	N.A.
	3	109.4	104.6	111.2	104.2	104.6	N.A.	N.A.
	4	111.9	105.9	N.A.	N.A.	N.A.	N.A.	N.A.

* Belgium/Luxembourg, France, Germany, Italy, Netherlands, United Kingdom.
Source: International Economic Indicators, U.S. Department of Commerce.

Table 34
 Industrial Production of Selected Countries, 1970-1983¹
 (1982 = 100)

	United States	Canada	Japan	EEC-7 2/ 4/	Seven Foreign 3/ 4/ Countries
1970	77.7	77.5	66.0	83.1	77.0
1971	79.1	81.6	67.7	83.9	79.0
1972	86.3	87.8	72.7	88.3	83.7
1973	93.6	97.1	83.5	94.4	91.4
1974	93.3	100.2	80.2	94.6	90.7
1975	84.9	94.3	71.4	88.4	83.8
1976	94.1	100.1	79.4	95.3	91.0
1977	99.6	102.6	82.6	97.5	93.5
1978	105.4	106.0	87.9	99.7	96.7
1979	110.0	112.6	94.3	104.6	102.2
1980	106.0	110.9	98.7	104.1	103.0
1981	108.8	111.9	99.7	101.9	102.0
1982	100.0	100.0	100.0	100.0	100.0
1983	106.6	N.A.	103.5	N.A.	N.A.
1982:	1	102.2	104.5	101.0	101.4
	2	100.6	101.1	99.8	100.6
	3	99.7	98.6	100.3	98.7
	4	97.5	95.5	99.2	98.3
1983:	1	99.9	100.4	100.1	99.4
	2	104.3	103.4	101.6	100.2
	3	109.4	108.2	104.9	101.5
	4	112.6	N.A.	107.4	N.A.

1/ Quarters are seasonally adjusted.

2/ Estimate of EEC-7 is based on data for France, Germany, Italy, Netherlands, and the United Kingdom.

3/ The five countries listed in the above footnote together with Canada and Japan.

4/ Weighted by 1975 GDP.

N.A.: Not Available.

Source: International Economic Indicators, U.S. Department of Commerce.

Table 35
 Ratios of U.S. Merchandise Trade to GNP, 1970-1983
 (General imports, c.i.f.; Domestic exports, f.a.s.)
 (In percent)

	Ratio of Exports to:		Ratio of Imports to:	
	Total GNP	Production of Goods	Total GNP	Production of Goods
1970	4.3	14.3	4.3	14.4
1971	4.1	14.1	4.6	15.6
1972	4.2	14.3	5.1	17.2
1973	5.4	17.7	5.6	18.4
1974	6.9	23.2	7.6	25.8
1975	7.0	24.1	6.8	23.5
1976	6.7	22.9	7.6	26.1
1977	6.2	21.0	8.4	28.3
1978	6.5	22.2	8.6	29.2
1979	7.4	25.2	9.2	31.3
1980	8.2	28.7	9.8	34.1
1981	7.8	26.6	9.3	31.7
1982	6.7	24.9	8.3	30.7
1983	5.9	N.A.	8.2	N.A.
1982:	1	7.2	N.A.	N.A.
	2	7.0	N.A.	N.A.
	3	6.7	N.A.	N.A.
	4	6.1	N.A.	N.A.
1983:	1	6.2	N.A.	N.A.
	2	5.8	N.A.	N.A.
	3	5.9	N.A.	N.A.
	4	5.8	N.A.	N.A.

N.A.: Not Available.

Source: International Economic Indicators, U.S. Department of Commerce.

Table 36

GNP Implicit Price Deflator for Selected Countries, 1970-1983*
(1982 = 100)

	United States	Canada	Japan	France	Fed. Rep. of Germany	Italy	Netherlands	United Kingdom
1970	44.2	35.4	48.2	32.1	55.1	18.2	42.7	22.7
1971	46.4	36.5	50.5	34.0	59.2	19.5	46.3	24.8
1972	48.3	38.3	52.9	36.0	62.6	20.7	50.7	26.8
1973	51.1	41.8	58.6	38.8	66.4	23.1	54.9	28.6
1974	56.1	48.2	70.4	43.4	70.9	27.4	60.0	33.0
1975	61.5	53.4	76.5	49.0	75.8	32.1	66.7	42.1
1976	64.6	58.7	80.7	53.9	78.2	37.9	72.7	48.3
1977	67.7	62.8	86.5	58.6	81.0	45.2	77.3	54.9
1978	72.7	67.0	90.5	64.2	84.3	51.5	81.3	61.0
1979	79.0	73.9	92.9	70.8	87.8	59.6	84.6	69.8
1980	86.2	82.2	95.6	79.4	91.7	72.0	89.4	83.6
1981	94.3	90.8	98.0	88.9	95.5	85.1	94.4	93.3
1982	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1983	104.2	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
1982:	1	98.3	97.0	99.6	96.9	98.1	94.3	97.4
	2	99.7	98.9	99.8	100.1	99.2	98.5	99.5
	3	100.5	101.3	100.5	100.9	101.1	101.5	101.1
	4	101.5	102.9	99.9	102.4	101.8	106.0	102.1
1983:	1	102.9	104.6	101.0	105.3	102.1	109.6	N.A.
	2	103.7	105.3	100.6	108.1	102.1	114.4	103.2
	3	104.6	N.A.	100.3	N.A.	103.8	N.A.	104.3
	4	105.6	N.A.	N.A.	N.A.	N.A.	N.A.	106.5

* Derived by dividing nominal GNP by real GNP and indexing the resulting series to a 1982 base.

Source: International Economic Indicators, U.S. Department of Commerce.

Table 37

Exchange Rates of the U.S. Dollar, 1970-1983
(1982 = 100)

	Average for 67 countries 1/	Average for 14 industrial countries 1/	Canadian dollar	Japanese Yen	Average EEC-7 2/
1970	73.7	103.0	84.6	143.8	102.2
1971	73.1	99.9	81.9	138.7	99.2
1972	70.6	93.4	80.3	121.7	91.9
1973	67.0	87.6	81.1	108.8	82.8
1974	67.7	89.2	79.3	117.1	83.8
1975	68.9	89.3	82.4	119.1	81.0
1976	73.1	92.2	79.9	119.1	90.0
1977	76.5	91.8	86.2	107.7	88.1
1978	74.1	84.5	92.5	84.5	79.2
1979	75.4	83.6	95.0	87.9	73.1
1980	77.5	83.4	94.8	91.0	71.1
1981	85.7	91.1	97.2	88.5	87.6
1982	100.0	100.0	100.0	100.0	100.0
1983	114.6	103.4	99.9	95.4	111.8
1981:	1	80.6	85.7	96.8	82.5
	2	84.9	90.9	97.2	88.4
	3	89.0	95.5	98.3	93.1
	4	88.1	92.3	96.7	90.2
1982:	1	92.4	95.3	98.0	93.7
	2	97.6	98.9	100.9	98.0
	3	103.7	102.5	101.3	103.9
	4	106.3	103.5	99.8	104.3
1983:	1	108.2	100.7	99.5	94.7
	2	112.7	102.2	99.8	95.4
	3	117.4	105.1	100.0	97.4
	4	120.0	105.3	100.4	94.0

1/ Averages weighted by 1982 total U.S. exports and imports with those countries.

2/ Belgium/Luxembourg, France, Germany, Italy, Netherlands, United Kingdom.

Source: International Economic Indicators, U.S. Department of Commerce; International Financial Statistics, International Monetary Fund.

Table 38
 U.S. Real Effective Bilateral Exchange Rates*
 (1982 = 100)

	<u>Average for 10 Countries</u>	<u>Canada</u>	<u>Japan</u>	<u>Fed. Rep. of Germany</u>
1973	82.5	91.4	90.8	81.7
1974	79.5	88.6	88.2	82.8
1975	82.6	90.5	95.2	82.2
1976	86.4	87.3	94.7	84.9
1977	83.0	92.6	89.3	80.9
1978	76.8	98.1	77.4	74.5
1979	74.3	99.0	84.5	73.0
1980	73.9	99.3	84.7	76.8
1981	89.9	101.0	88.3	96.8
1982	100.0	100.0	100.0	100.0
1983	105.6	97.6	98.9	105.1

* Based actual exchange rates adjusted for the relative change in wholesale prices between the United States and foreign countries. Weights for the ten country average are based on total trade.

Source: Federal Reserve Board; International Financial Statistics, International Monetary Fund.

Table 39
 U.S. International Financial Transactions, 1979-83
 (Credits (+), debits (-)¹)
 (Billions of dollars)

	<u>1979</u>	<u>1980</u>	<u>1981</u>	<u>1982</u>	<u>1983</u>
Current account balance <u>2/</u>	-1.0	+0.4	+4.6	-11.2	-40.8
Merchandise <u>3/</u>	-27.6	-25.5	-28.1	-36.4	-60.6
Tradeable business services <u>4/</u>	+4.0	+7.1	+9.0	+7.6	+6.0
Other services receipts, non-U.S. government, and not reinvested <u>5/</u>	+25.0	+28.7	+36.8	+35.9	+28.6
Other transactions	-2.4	-9.9	-13.1	-18.3	-14.8
Capital account, net change <u>6/</u>	-0.2+	-1.6	-5.7	+11.2	+40.8
Unofficial assets, <u>7/</u>	+14.6	-8.3	-6.0	+13.5	+36.2
U.S. assets abroad <u>8/</u>	-63.2	-77.9	-105.4	-113.1	-48.1
Foreign assets in the U.S. <u>9/</u>	+77.8	+69.6	+99.4	+126.6	+84.3
Official assets <u>10/</u>	-14.8	+6.7	+0.3	-2.3	-4.6

1) Credits (+): exports goods and services; unilateral transfers to United States; capital inflows (increase in foreign assets (U.S. liabilities) or decrease in U.S. assets); and decrease in U.S. official reserve assets.

Debits (-): imports of goods and services; unilateral transfers to foreigners; capital outflows (decrease in foreign assets (U.S. liabilities) or increase in U.S. assets), and increase in U.S. official reserve assets.

Differences between current and capital account balances are allocations of special drawing rights.

Source: Survey of Current Business, U.S. Department of Commerce, Bureau of Economic Analysis, Table 1.2, lines:

- 2) 79.
- 3) 2 and 18.
- 4) 4 thru 9, and 20 thru 25.
- 5) 12, 14, 28 and 30.
- 6) 37,56 and 75 (statistical discrepancy).
- 7) 37,56,75, less 80 and 81.
- 8) 37 less 80.
- 9) 56 and 75, less 81.
- 10) 80 and 81.

Table 40
U.S. Direct Investment Position, 1974-1982*
(Billions of dollars)

	<u>U.S. Direct Investment Abroad</u>	<u>Foreign Direct Investment in the United States</u>	<u>Net Position</u>
1974	110.1	25.1	85.0
1975	124.1	27.7	96.3
1976	136.8	30.8	106.0
1977	146.0	34.6	111.4
1978	162.7	42.5	120.2
1979	187.9	54.5	133.4
1980	215.4	68.4	147.0
1981	226.4	90.4	136.0
1982	221.3	101.8	119.5

* The cumulative net book value of investors' equity in, and outstanding loans to their foreign affiliates in which each investor owns at least 10 percent of the voting securities, or equivalent interest.

Source: U.S. Department of Commerce, Office of Trade and Investment Analysis.

Table 41

Balance of Payments Current Account Balances of Selected Countries, 1979-1983
(Billions of dollars)

	<u>United States</u>	<u>Canada</u>	<u>Japan</u>	<u>France</u>	<u>Fed. Rep. of Germany</u>	<u>Italy</u>	<u>Netherlands</u>	<u>United Kingdom</u>
1979	1.0	-4.1	-8.8	5.1	-6.2	5.4	-2.1	-1.2
1980	0.5	-0.9	-10.8	-4.2	-15.9	-9.8	-2.9	7.7
1981	4.6	-4.8	4.8	-4.8	-6.3	-8.4	3.0	13.7
1982	-11.2	2.4	6.8	-12.2	3.5	-5.8	3.4	9.2
1983	-40.8	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
1982:	1	0.2	-1.0	-0.9	-2.7	-0.4	-4.6	2.1
	2	2.2	0.8	2.6	-3.6	0.9	-0.9	0.6
	3	-8.1	1.6	2.9	-3.7	-1.9	0.4	-3.0
	4	5.5	1.0	2.2	-2.2	4.9	-0.7	4.4
1983:	1	-3.7	-0.5	1.4	-4.6	1.7	-2.0	1.5
	2	-9.7	0.8	6.3	-0.3	0.8	0.6	-1.2
	3	-12.1	N.A.	6.9	N.A.	-2.7	N.A.	0.9
	4	15.3	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

Source: Balance of Payments Statistics, and International Financial Statistics, International Monetary Fund.

Table 42

Short Term Interest Rates of Selected Countries, 1978-1983

	United States		Canada		Japan		Fed. Rep. of Germany		France		United Kingdom	
	Nominal	Real	Nominal	Real	Nominal	Real	Nominal	Real	Nominal	Real	Nominal	Real
1978	7.2	-0.4	8.7	-0.3	4.4	0.8	3.4	0.7	8.0	-0.8	8.5	0.2
1979	10.0	-1.0	11.7	2.5	5.9	2.2	5.9	1.6	9.0	-1.5	13.0	-0.4
1980	11.6	-1.7	12.8	2.3	10.9	2.7	9.1	3.4	11.9	-1.7	15.1	-2.4
1981	14.1	3.3	17.7	4.7	7.4	2.4	11.3	5.1	15.3	1.7	13.0	1.0
1982	10.7	4.4	13.6	2.5	6.9	4.1	8.7	3.2	14.9	2.7	11.5	2.6
1983	8.6	5.3	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
1981:	4	12.0	6.0	15.8	4.9	6.9	2.3	10.9	5.7	16.1	2.3	14.8
1982:	1	12.9	8.9	14.6	3.4	6.6	6.6	10.0	4.1	15.2	3.1	13.4
	2	12.4	5.9	15.5	2.6	7.2	3.1	9.2	2.9	16.4	3.4	12.6
	3	9.7	1.8	13.9	4.4	7.1	-3.3	8.6	4.0	14.6	8.8	10.6
	4	7.9	6.6	10.6	3.8	6.8	0.7	6.9	4.0	13.3	7.6	9.3
1983:	1	8.1	8.5	9.3	6.7	6.6	1.7	5.7	4.0	12.8	1.8	10.6
	2	8.4	3.0	9.2	3.3	6.2	7.9	5.0	2.5	12.5	0.8	9.6
	3	9.2	7.0	9.3	2.5	6.5	-3.0	5.2	1.1	12.5	3.5	9.3
	4	8.8	2.1	N.A.	N.A.	6.3	N.A.	5.6	3.5	N.A.	N.A.	8.9

Source: *International Financial Statistics*, International Monetary Fund.

Table 43

Ratio of Savings to Disposable Personal Income, Selected Countries, 1970-1983
(In percent)

	<u>United States</u>	<u>Canada</u>	<u>Japan</u>	<u>France</u>	<u>Fed. Rep. of Germany</u>	<u>Italy</u>	<u>Netherlands</u>	<u>United Kingdom</u>
1970	8.0	5.3	18.2	16.7	14.6	21.6	N.A.	9.3
1971	8.1	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
1972	6.5	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
1973	8.6	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
1974	8.5	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.
1975	5.6	N.A.	22.5	N.A.	16.4	23.2	14.5	12.7
1976	6.9	N.A.	22.4	16.4	14.7	22.9	14.6	11.8
1977	5.9	9.1	21.0	16.6	13.2	22.5	12.0	10.5
1978	6.1	10.8	20.6	17.5	13.3	23.8	12.1	12.1
1979	5.9	11.3	18.7	16.2	13.9	25.3	11.6	12.9
1980	6.0	12.1	19.2	14.7	14.2	22.0	10.9	14.8
1981	6.6	13.8	19.7	15.6	14.9	25.7	12.7	12.5
1982	5.8	15.1	17.7	15.5	14.4	N.A.	14.8	10.8
1983	4.8	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

Source: International Economic Indicators, U.S. Department of Commerce

Table 44
R & D Indicators for Selected Countries, 1970-1982

	<u>United States</u>	<u>Japan</u>	<u>Fed. Rep. of Germany</u>	<u>France</u>
Growth rate of business R&D funding (average annual):				
1970-1975	9.3	16.8	11.3	11.9
1976-1980	14.7	12.2	11.7	13.4
1980-1981	11.7e	14.3e	6.0e	N.A.
1981-1982	8.0	N.A.	N.A.	N.A.
Ratio of business R&D funding to GDP:				
1970-1975	1.47	1.85	2.09	1.37
1976-1980	1.56	1.95	2.25	1.37
1981	1.76e	2.30e	2.83	1.45e
1982	1.75e	N.A.	2.64e	1.53e

N.A.: Not available.

e: Estimated.

Source: Science Indicators 1982, U.S. National Science Foundation.

Table 45
Manufacturing Unit Labor Costs, Compensation, and Output in Selected Countries, 1970-1983
(1982 = 100)

	<u>United States</u>	<u>Canada</u>	<u>Japan</u>	<u>EEC-7*</u>
Unit Labor Costs (national currencies):				
1970	49.0	36.6	58.4	39.1
1975	61.0	63.9	68.0	61.2
1980	87.9	77.4	100.2	85.9
1982	100.0	100.0	100.0	100.0
1983	99.1	N.A.	N.A.	N.A.
Hourly Compensation (in U.S. dollars):				
1970	36.4	32.7	17.7	22.1
1975	53.7	57.1	53.1	58.3
1980	83.9	82.0	100.4	115.1
1982	100.0	100.0	100.0	100.0
1983	105.6	N.A.	N.A.	
Output per Person-Hour:				
1970	74.3	75.5	43.4	60.4
1975	88.0	89.4	61.9	77.0
1980	95.5	100.3	90.8	94.1
1982	100.0	100.0	100.0	100.0
1983	106.7	N.A.	N.A.	N.A.

* Belgium/Luxembourg, France, Germany, Italy, Netherlands, United Kingdom.

Sources: International Economic Indicators, U.S. Department of Commerce; Bureau of Labor Statistics, U.S. Department of Labor.

Table 46
 Manufacturing Labor Costs, Output and
 Unit Labor Costs Relative to the United States, 1982
 (United States = 100)

	<u>Compensation* per hour</u>	<u>Real Output per hour (1975 prices)</u>	<u>Unit Labor Costs</u>
United States	100.0	100.0	100.0
Canada	85.7	91.2	94.4
Japan	46.6	94.9	49.1
Fed. Rep. Germany	86.1	110.6	77.8
France	66.9	106.8	63.0
Italy	62.2	100.8	62.0
United Kingdom	58.4	61.2	96.3

* Includes fringe benefits.

Based on: Data Resources Inc., Review of the Economy, October 1983, pages 1-15.

Table 47
 Unit Labor Costs, in U.S. Dollars, 1970-83
 (1980 = 100)

	<u>United States</u>	<u>France</u>	<u>Fed. Rep. Germany</u>	<u>Italy</u>	<u>United Kingdom</u>	<u>Japan</u>	<u>Canada</u>
1970	55.7	30.6	29.3	35.8	25.9	36.7	53.1
1977	76.6	65.2	67.8	70.7	47.0	89.0	86.3
1978	82.3	76.5	82.4	81.8	58.3	112.3	84.4
1979	89.7	88.3	92.3	91.6	74.2	104.9	88.4
1980	100.0	100.0	100.0	100.0	100.0	100.0	100.0
1981	106.1	88.5	84.7	89.3	95.6	103.0	109.3
1982	113.8	81.0	81.6	86.9	86.8	90.5	122.4
1983	112.7	N.A.	N.A.	N.A.	N.A.	N.A.	N.A.

N.A.: Not available.

Source: International Economic Indicators, U.S. Department of Commerce.

Table 48
Selected U.S. Employment Indicators, 1977-1983

	<u>Employment</u>		<u>Unemployment</u>	
	<u>Full time equivalent</u>		<u>Unemployed</u>	<u>Unemployment</u>
	Jobs		Workers	Ratio
	(In thousands)		(In thousands)	(In percent)
1977	84,717		6,991	7.1
1978	89,048		6,202	6.1
1979	92,163		6,137	5.8
1980	92,405		7,637	7.1
1981	93,199		8,273	7.6
1982	91,371		10,678	9.7
1983	N.A.		10,717	9.6
1982: 1	N.A.		9,665	8.8
2	N.A.		10,382	9.4
3	N.A.		11,024	10.0
4	N.A.		11,775	10.6
1983: 1	N.A.		11,486	10.4
2	N.A.		11,240	10.1
3	N.A.		10,529	9.4
4	N.A.		9,507	8.5

Sources: Survey of Current Business, U.S. Department of Commerce,
Bureau of Economic Analysis; Economic Report of the President,
1984.

Table 49
Unemployment Ratios in Selected Countries, 1977-1983
(In percent)

	<u>United States</u>	<u>Canada</u>	<u>Japan</u>	<u>France</u>	<u>Fed. Rep. of Germany</u>	<u>United Kingdom</u>
1977	7.1	8.1	2.0	4.9	4.5	5.6
1978	6.1	8.4	2.2	5.3	4.3	5.5
1979	5.8	7.5	2.1	6.2	3.8	5.1
1980	7.1	7.5	2.0	6.7	3.8	6.4
1981	7.6	7.6	2.2	7.8	5.5	10.0
1982	9.7	11.0	2.4	8.4	7.5	11.7
1983	9.6	11.6	2.6	8.5	9.1	12.4
1982: 1	8.8	8.9	2.3	8.3	6.9	11.2
2	9.4	10.5	2.4	8.3	7.4	11.5
3	10.0	12.1	2.4	8.4	7.8	11.9
4	10.6	12.7	2.4	8.5	8.4	12.2
1983: 1	10.4	12.5	2.7	8.4	8.9	12.6
2	10.1	12.4	2.6	8.4	9.4	12.5
3	9.4	11.7	2.7	8.6	9.4	12.4
4	8.5	11.1	2.6	8.6	9.1	12.3

Source: International Economic Indicators, U.S. Department of Commerce.



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